DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

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HOUSE OF COMMONS

DEBATES

OF THE

OFFICIAL REPORT

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House of Commons Debates

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Tuesday, March 30, 1926

The House met at three o'clock.

MARITIME RIGHTS COMMISSION —PERSONNEL

On the Orders of the Day:

Mr. MURRAY MacLAREN (St. John-Albert): I draw the attention of the Prime Minister to the following report from Ottawa in the press of Saturday, 27th March:

It was learned here to-day on the highest authority that the personnel of the commission to investigate conditions in the Maritime provinces would be as follows:

Mr. FORKE: Speak louder please.

Mr. MacLAREN: I continue quoting:

Sir Andrew Rae Duncan, Kent, England.
Dr. McGill, of Winnipeg.
Judge W. B. Wallace, of Halifax.
Hon. W. E. Foster, of Saint John.

Can the Prime Minister confirm this report given to the public?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There has been no order in council passed appointing a commission. I do not know from what source the information has come, but I can assure my hon. friend that up to the present time no appointments have been made.

AUSTRALIAN BUTTER—DUMPING CLAUSE

On the Orders of the Day:

Mr. DONALD SUTHERLAND (South Oxford): Yesterday I put an inquiry to the Minister of Finance (Mr. Robb) with regard to the duty on dairy products now being imported into this country, particularly from Australia. I pointed out that the minister had stated on the 25th of February that butter imported into Canada from Australia will be subject to the provisions of the dumping clause. The minister said on that occasion:

The official in my department holds that there will be a dumping duty of approximately fifteen per cent on any butter that enjoys that privilege.

I desire to point out that upwards of one million pounds of butter have been imported from Australia during March of this year, and I should like to ask what duty is being collected on these imports. I understand from the Department of Customs that it is the duty of one cent per pound provided for in the trade treaty which has been and is being collected.

Hon. J. A. ROBB (Minister of Finance): If my hon. friend will place his question on the order paper I will give him a correct answer.

Mr. SUTHERLAND (South Oxford): I put a question yesterday and received a reply that was no answer at all. The reply was that the information asked for would be given in answer to a question placed on the order paper by the hon. member for East Lambton (Mr. Armstrong) and it is not there.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

The House resumed, from March 25, consideration in committee of the resolution to amend the Soldier Settlement Act, 1919—Hon. Mr. Stewart—Mr. Duff in the chair:

Mr. HANNESSON: When this matter was last before the House I felt that I ought to say something on it. The question is one of some importance and urgency, particularly in the west, and I trust that we shall consider it from the point of view of doing justice to the returned men, and not from any political or self-seeking standpoint. You will remember, Sir, that when demobilization took place the government of Canada was faced with a very serious problem. During the war there was a tremendous expansion of industrial development in Canada, and when the hundreds and thousands of men at the front were being returned to this country the government was faced with the problem not only of keeping in employment those who already had occupations, but of absorbing into our civil life all those who were coming back from the front. It was generally thought that the best way to meet this problem in the case of the returned soldiers was to place as many of them as possible on farms. That view was strengthened by the general policy that all parties had adopted to further agricultural development. The motives which

actuated the returned soldiers largely in going on the land were chiefly these: In the first place, during the war high prices for agricultural products had prevailed; and in the next place, unless the soldiers had occupations in the professions or in industry to return to they had no alternative open to them. What I want to point out here is that although the soldier settlement scheme primarily was for the purpose of assisting the soldiers during the period of demobilization and reconstruction, other people in Canada received direct and immediate benefit from it. In the first place it lessened the competition for employment; in the next place it largely solved the unemployment question in Canada and in the third place it gave to people that had land holdings in the Dominion immediate cash for lands that in former years they had not been able to sell. What is now asked for is not a further bonus or relief for soldiers, but a recognition of the fact that so many of them were charged prices for land bought on their account by the government far beyond their actual value. It is not a bonus, but a recognition of a wrong done to them, and remember that many of the men who received those prices are the men who to-day complain that they are paying too much in the way of taxes in Canada. That money was not lost to Canada. It was largely paid out to people in Canada.

Another phase of the matter to which I wish to refer is that the soldier settlement scheme was of immense value to the Dominion of Canada. As the hon. member for West Calgary (Mr. Bennett) pointed out the other day, with his customary fair-mindedness, the soldier settlement scheme increased the value of lands in Canada above what it would otherwise have been and added to the present wealth and productive power of Canada. Some of the lands had been used at a prior time by farmers who had actually tilled them, but a large portion was new, virgin soil. These lands were brought into production but they would not have become productive had it not been for this scheme. For seven or eight years, these soldier settlers have been adding largely to the wealth of Canada. I desire to point out to this House that year after year, government after government have spent large sums of money for immigration, the expenditure having been principally outside of Canada. They are to-day adopting other schemes for settlement in Canada which involves the outlay of money. I maintain that even if the treasury takes a loss with respect to part of the price paid for the land, Canada still will have a bigger return than she has received from the money spent on immigration or will receive from the proposed expenditure for securing settlers on the land.

I wish to give the House some figures with regard to the settlement scheme. As a result of the scheme 30,846 men were placed on the land. Of this number 24,342 were placed as a result of loans advanced, and 6,504 on soldier grants. Of the number so settled on this land 819 have paid their loans in full, 6,635 have been foreclosed or have abandoned their farms, leaving approximately 17,000 settlers still on soldier settlement land owing money to the government. The total paid out under the scheme was $105,750,831. Something like $23,000,000 on account of principal and interest have been paid, and the principal now owing under the whole scheme is $88,228,890.65. Of the foreclosed land 1,789 units have been sold—that is land and chattels—at a profit to the Soldier Settlement Board of $625.949.35. Then in the case of 168 units where the land without the chattels has been sold, giving a surplus to the government of $19,396.75, and 182 units have been sold—but the sale not closed yet—with a prospective profit to the government of $6,293.43, there remained 4,496 of the units of the foreclosed lands still undisposed of. Last year this government made a bargain with the Imperial government to set aside for them 2,500 units for the empire settlement scheme. Five hundred families were brought out last year, and it is hoped to bring out 1,300 this year. These lands under the empire settlement scheme have all been revalued, and I am credibly informed that, although in some instances they have been sold for approximately the amount of the debt, in a large number of other cases they have been sold for one-half the amount owed by the soldier settler or less. The soldier settler has to pay the whole and is ejected from the land if he is unable to pay it. But in addition to the loan advanced by the Imperial government of $1,500 per unit, Canada makes further advances to the empire settler which are added to the purchase price.

From the foregoing several things are quite evident. Every time a unit was taken back from a returned soldier as a result of abandonment, or by foreclosure, there was a direct loss of productive power in Canada to the extent of that unit. In the next place there was a loss in the value of that unit. As soon as the land was abandoned or left, it reverted and became wild land again. Last year I understand some effort was being made to lease some of these lands. The next best

lands to those sold before have been taken under the empire settlement scheme or reserved for it, and we have in addition almost half of these foreclosed lands, which undoubtedly are the poorest, on which Canada will suffer a further loss. If Canada can afford to take a loss in the manner I have described, to give a rebate to the empire settlers, surely she can afford to re-value the land and give some consideration to the men who have been on it seven or eight years, giving of their best, paying 10 per cent to begin with, and brushing, breaking, fencing, building and struggling. A new man, with no knowledge of conditions in this country is almost sure to make some losses for the government under the empire settlement scheme. Surely Canada can afford to do the right thing with regard to the men who were unfairly treated when the purchases were made.

I realize that in some cases there may not be a loss and revaluation is not necessary, but I desire to bring to the attention of the House some cases where there is a crying injustice. Two of these cases occurred near Teulon. In one case within my knowledge—the Soldier Settlement Board have the record of it—the man never went on the farm. He was a clerk in one of the offices engaged in selling lands to the Soldier Settlement Board. There was another case where a man made merely a pretence of going on. That land was taken back. In several cases the price fixed was two, three and four times the actual selling value at the time. Another soldier settler from the Petersfield district, came to me and told me about the course that was being followed by the Soldier Settlement Board; and he told me about men being driven off the farm and asked me to go and meet the soldier settlers who occupy the territory between Teulon and Winnipeg Beach. I attended the meeting and at that meeting these men drew attention to several things. The lands in that district were bought at from $15 to $31 per acre. Last year I sold a half section of land of the same character and was glad to get $5.50 per acre for it. I know of other lands in that district and very similarly located that were sold for $3.50 per acre. These soldier settlers paid tremendous prices. It is too late to criticize this feature now, but there is not the slightest doubt that they were induced to go on that land as the result of incompetence or something worse on the part of those who certified to these values. The land was practically all brush land, and wet, which meant an immense amount of work before they could begin to produce anything on it. They have gravel roads in the neighbourhood now which have ditches draining the lands, but when the men were put on those lands they were valued at a figure that they could not for a long time approximate. The men had to clear practically every foot of the land. It was at least two years before they could make any headway. The maximum improvement loans advanced amounted to one thousand dollars each and they were wholly inadequate to enable these men to get a start at all. I have seen some of these lands and I visited one location in particular that I propose speaking about. The least brushing done by any man on his unit is about a hundred acres, and brushing costs about five dollars an acre although the man does the work himself. Breaking cost at that time from twelve to fourteen dollars an acre, although the cost at the present time is only seven dollars an acre. None of the men to whom I have reference has done less than $2,000 to $3,000 worth of improvements on his land.

In 1923 when they were just beginning to get a start they were unfortunate enough to meet with rust following floods in the spring, and in 1924 that the crop of the whole district was frozen. The wheat was frosted in the blossom as Mr. Freer, superintendent and expert who was brought out from the Manitoba Agricultural College, stated. The result was that these men were left with absolutely nothing in the fall of 1924. They asked the Soldier Settlement Board for assistance in the way of seed grain in the spring of 1925 and they were informed that there was no provision for further advances in the way of seed grain. Some of the men were forced to leave their farms in order to go out and work as they had only a few cattle and they could not grow any grain that year. Others stayed on because they were fortunate enough to get advances from private sources. The credit of a soldier settler is not very high, because everything is tied up to the Soldier Settlement Board which has a preference over all claims if it desires to exercise it.

In the fall of 1925 the board told these soldier settlers that they would have to pay up their arrears or the board would seize the whole crop. Some of the men refused to do this because, as they said, they had to pay their seed grain advances and their store bill, and after going through the formality of making seizures and endeavouring to get the surrenders from the soldier settlers, the board said: We will pay the seed grain and the store bills if you will give the crop to us. This has been very discouraging to these men

and I want briefly to make some reference to what happened at the meeting which I attended and to certain letters which I have since received. At a meeting at which some forty-five settlers who are still indebted to the board were present, a resolution was passed. It was signed by some twenty-six settlers—I could not wait for any more signatures at that time. This resolution was as follows:

We the undersigned having met at a public meeting at Petersfield, Manitoba, to discuss the problems of the soldier settlers, have passed the following resolution:

Resolved that we ask parliament of Canada to revalue all soldier settlers loans to the extent of fifty per cent with no discrimination as to what year he settled on the land.

One point which they brought out at the meeting was that the value of the land must be reduced to an extent where they could carry on. Next year they will have to pay interest although that has been waived for a number of years. They also maintained that having spent seven years on the land and having made considerable improvements and gained experience, they should be given a preference in regard to reductions over the British Empire settlers. They further urged that no more soldiers should be put off the land till something definite has been done in regard to revaluation. During the last year several of these men have been put off their land, although last session this House was considering revaluation which was also promised in the last election. They further urged that the board must help the soldier with seed grain where help is needed, as their outside credit is impaired. That is a problem which we must face because, in case of hardship, the settler has no credit that will enable him to go to a bank or even to a private individual in view of the way in which all assets are tied up to the board.

I have several letters from settlers giving further particulars, one from two Hermanson brothers who claim that after they had struggled along for seven years, an endeavour was made last year to put them off their land. They state that they cannot carry on with their present indebtedness. They have families; one of the boys is suffering under a disability, and yet threats are being made to put them off for empire settlers.

I have a letter from another man named Oliver, also at Petersfield, who claims that last fall after he had borrowed money in order to be reinstated, they came to him again and said that he must pay $500 or sign a surrender which, however, could be revoked later on. They called it a readjustment, and so as to have some control of his crop and to be able to pay his store bills and that kind of thing, he signed it. He is a man who has 150 acres broken and more improvements made than have been paid for by advances from the board. He has a large family and last year after paying the thresher and his store bill he had $267 left.

A man named G. A. Willis in that district who has 220 acres broken had a notice served on him last fall because he wanted to pay his seed grain and store bill. The same was the case with a man named Smallwood who had 160 acres broken. These men all have large families and are men who served throughout the war. I come now to a man named Mackenzie who could not borrow money in 1925 to do his seeding. His brother lives on the next farm. He had fall ploughed his land; he left his brother to look after the farm and the cattle; he left his furniture in the house and he went out to look for employment elsewhere. The board has seized that farm although that man had lived on it for seven years. I visited that farm and over 100 acres had been brushed and ninety acres broken and fall ploughed by his brother last fall. This winter under the empire settlement scheme, although his furniture was still there, they entered the house and put in new beaverboard walls which they painted. They say they are going to paint the house this spring and they are putting an empire settler on the land at exactly half the price that Mackenzie was charged. That in spite of the fact that last fall he offered to give them $175 in cash and 400 bushels of wheat. I might also cite the case of a man named Schofield whose land was bought by the board at $31.25 per acre and sold to empire settlers at $15 per acre.

That is all I propose saying with regard to the general merits of the matter, but I wish to point out two things in connection with this resolution. According to the first clause of the resolution the revaluation proposed is only for those who have not abandoned their land. That, I take it, would include those who have been driven off the land. I suggest that an amendment must be made to that provision so that any man who has been on the land for four or five years, who has done a certain amount of improvement that may be stated in the act, who for instance has broken fifty or sixty acres and who has made permanent improvements of a value of not less than $1,000, should have the right to go back and redeem on the same terms as an empire settler could buy. A provision of that sort should be in this measure.

I may point out that the Soldier Settlement Board in their report issued on 31st December recommended revaluation and I would suggest that it should be carried out in this way. The board themselves should do the revaluing because I think any other method would take too long and there is urgent need of this being carried out as expeditiously as possible. I then suggest an appeal to a county court judge before whom shall be the complete file of the Soldier Settlement Board and before whom shall be taken into consideration the value fixed by the board on any land in the same neighbourhood. I suggest the appeal to the county court judge so as to remove all suspicion of unfairness or partisanship. My hon. friends to the left objected to a county court judge primarily because he was a lawyer. Let me point out that they are almost the first people to seek the advice and assistance of lawyers. Indeed, one member of their body, when he was one of the commissioners appointed by this House to investigate the customs charges, sought the appointment of special counsel for himself. Now this matter would come up before the local county court judge, and as he is trained to weigh evidence and is removed from all suggestion of bias or partisanship, I do not know of anyone who would be better fitted to deal with cases of this kind. Furthermore, all assessments in Manitoba and, I believe, elsewhere in western Canada are revised before the county court judge, which would indicate that he is probably more intimately acquainted with the actual values of lands and with all the local circumstances than anybody else would likely be. A county court judge would be better qualified than almost any farmer who could be selected either from the Progressive group in this House or in the country.

In connection with the appeal before the county court judge, I suggest that the soldiers should have a special representative of their own, paid by the government. The question of cost has been referred to, but we must remember that the returned soldiers who are up against it now cannot afford to engage counsel. All the circumstances should be gone into exhaustively, and to this end it is imperative that counsel should be provided to act on behalf of the men for the purpose of presenting their cases before the judge. I trust there will be no division in the House on the question of revaluation; Canada as a whole has received large value from the services of these men. It is not a matter of giving the returned soldiers a bonus or a grant; what is needed is to remedy an evil from which they are at present suffering. For seven or eight years these men have shown their confidence in the country, and I believe that if a favourable opportunity were afforded them they could successfully carry on. As things are to-day they are labouring under adverse conditions that are almost unbelievable. In very many instances the wife is obliged to go out and work in order to secure the necessary groceries and other provisions for the family. It would be far better, in my judgment, to make it possible for these men to stay on the land than it would be to get new settlers to come into the country to displace them. Those returned soldiers who have put in four or five or six years and have made substantial improvements on the land have shown that they are fitted for farming and they should be given an equal opportunity to come in under this scheme.

Mr. STEWART (Edmonton): As the hon member has been the first speaker this afternoon, I would put a question to him. In order to shorten the process of dealing with the question of readjustment by the representatives of the Soldier Settlement Board, what would he think of creating a board consisting of the district judge as chairman, the board supervisor in the district, and a representative of the soldiers themselves, the last named to be paid by the government? The judge and the supervisor would of course receive no salary. I offer this suggestion as it is possible that this readjustment could be very quickly made throughout Canada in that way, inasmuch as the cases could be heard in every judicial district practically as speedily as the soldier supervisors might be available. That would shorten up the process of readjustment. Perhap the hon. member would give the committee his opinion of that suggestion.

Mr. HANNESSON: I am always reluctant to have the majority of a board make the decision if there is no review of the matter. I think it would be satisfactory to take the board's valuation, which could be quickly made by the district supervisor or the superintendent of the board, provided there is to be a review by someone who is above suspicion of partisanship or as having any special interest in the matter.

Mr. STIRLING: This question of revaluation of soldier lands is one of the most complicated before parliament to-day. The conditions are exceedingly varied in this great country—varied as to the nature of the soil, varied as to the crops grown, and consequently as to the marketing of those crops, and varied

again as to the men themselves who are employed in this work. One can find every description of man among the soldier settlers to-day in whatever part of Canada one may go. There are those who had previous knowledge of this kind of work, and others who had not. There are those who have been physically able to throw themselves wholeheartedly into the work and to reap a certain measure of success; while there are others who, while they have endeavoured just as much to attain success have been unable to reach it owing to various circumstances outside their own control. But the provisions of the act have been carried out under both administrations and so far as my experience in British Columbia is concerned, they have been fairly observed. A really earnest attempt has been made on the part of the officials of the board, at least, in Yale of which I can speak, to help the soldiers in their difficulties and to endeavour to assist them in making it go. But they have been met with serious obstacles. I think I am quite right in saying that the officials of the board themselves have foreseen for several years past that a revaluation of land must come but of course, hitherto they have been quite powerless to do anything in that direction. Last year when the question of revaluation of stock and equipment was before parliament there were appeals from all parts of the House to the government to include therein a revaluation of the land. The government was reluctant to undertake this. I remember my right hon. leader (Mr. Meighen) pointing out towards the close of that debate the very thorny question which we should some day have to tackle with regard to this revaluation. The difficulty is no less to-day than it was then. Indeed, if anything it has been rather aggravated by the intrusion into the question of the settlement of British government assisted immigrants.

Now, we do not know for lack of any pronouncement on the part of the government just under what conditions these immigrants are being placed on the land. I remember that the hon. member for Burrard (Mr. Clark) asked the Minister of the Interior (Mr. Stewart, Edmonton) for certain information. If I remember rightly he asked the question on two occasions, and the third time the minister made a reply. I will read what the hon. member for Burrard said in connection with the matter:

> May I remind the minister that the vital point of the question was, whether the lands are being turned over to the immigrants at values lower than those originally placed on them for soldier settlement?
>
> [Mr. Stirling.]

And the minister replied:

> I asked that question, and in some cases they are turned over at a lower value in the majority of cases, however, they are turned over at the value at which the soldier settler was placed upon the land.

A cartoon has been placed in my hands which was published in a Vancouver paper—what paper I do not know, for its name does not appear on this clipping. It depicts what is called a new settler marching along the high land, with a very small encumbrance on his back and a bright new hoe on his shoulders. The idea one gets from that is that the soldier is making his way to pastures new and is about to make a success of the undertaking. Below on a lower statum of land there is a soldier settler with a far bigger burden on his back, endeavouring to wheel a heavily laden barrow across some stony land. I do not know whether that cartoon represents the state of affairs, but I think it would be of very great assistance to the House, to the public, and especially to the soldiers themselves if the minister would make a full, ample detailed statement as to where we stand with regard to incoming immigrants. I can imagine no other circumstance making the soldier settler angrier than to feel that he has been pleading with the government for some time for a revaluation, and now to find that certain immigrants are being given a revaluation which he is not able to obtain.

As I say, conditions throughout Canada are most varied, and I want for a few moments to describe the situation of soldier settlement in Yale. In 1919 there was a big crop of fruit, the prices were good, optimism prevailed, and purchases of land commenced at about that date. Not only did fruit lands increase in value, but the optimism carried up the values of mixed farming land and general agricultural land at the same time and all lands, compared with the subsequent prices, were inflated in value. In 1920 there was a smaller fruit crop and the prices were still fairly good. But about that time was injected into this condition of affairs another matter altogether which directly affected land values. For some few years there had been difficulty between the water companies that supplied the irrigation water and the land owners, and that difficulty had become so tense by the end of 1920 that the provincial government stepped in and used its good offices to draw the water companies and the land owners closer together. Negotiations resulted in the forming of what are called irrigation districts, the whole of the water systems, including

reservoirs, canals and ditches, in certain areas are now owned and administered by the land owners. But consequent on the development of those water systems, the rebuilding of certain structures which had fallen into disrepair and their proper maintenance, water rates, speaking very generally, were raised from somewhere in the neighbourhood of four and five dollars to eight and ten dollars; and as water is the lifeblood of the land in the irrigation district, and is looked upon as a direct charge on the land, so it had a very definite effect on the capital value of orchard properties. In 1921 followed another big crop at low prices. The optimism which had started in 1919 was already drooping, and in 1922 came an absolute devastation in fruit prices, the bottom dropped out of the market, its effect was severe on the value of orchard property, and in consonance with that the value of mixed farming property dropped a very great deal lower than it was at the time the majority of these purchases were made.

Now, with regard to the view which the soldier settlers themselves in that neighbourhood take of this matter, I should like to direct the attention of the committee to a resolution which was adopted by the soldier settlers in the middle section of the Okanagan valley. The covering letter which accompanied the resolution contains a paragraph which I desire to quote:

> That if Major Barnett is accurately reported in recent speeches that abandoned soldier holdings will be given to new immigrants at a price in keeping with present values, and if such is now to be the government's policy, then it is felt that the need for a reduction of original loans of soldiers becomes imperative if the immigrant is not to be more favourably treated than your soldier settlers.

That demonstrates what I consider might be called the frame of mind in which the soldier settlers met together and adopted this resolution. The resolution itself was passed at a meeting of soldier settlers in the Okanagan district of British Columbia on March 10. After referring to the inflation in land values and to the depreciation in their land, stock and equipment to the extent of 50 per cent or more, and to the incoming British government-assisted immigrants, the resolution proceeds:

> Therefore be it resolved that this meeting representing the districts of Kelowna, East Kelowna, Rutland, Glenmore, Ellison and the Mission, desires by this resolution urgently to request the Right Hon. Mackenzie King and the parliament of Canada to enact legislation which shall ensure reduction of the soldier settlers' lands to the extent of at least 50 per cent of their original amount.

I am glad to see that there is this further paragraph:

> Resolved that this meeting desires to express appreciation to Colonel Johnston, Superintendent, S.S.B., Vernon District, and staff, for their considerate treatment of the soldier settlers during the past difficult period.

I am glad of that expression of appreciation because, as I say, I can only speak with detailed knowledge of the conditions in Yale. My impression for years past has been that the officials in that office have been doing everything that was humanly possible to make the Soldier Settlement Act a success, and to assist soldiers in their efforts.

But the introduction of this entirely new suggestion, that the reduction should be 50 per cent of the original purchase value, I think perhaps may come about from lack of a clear understanding on the part of those soldier settlers of just what revaluation means. Take it for a moment with regard to orchard land. If an orchard is to be maintained, the work you have to do to it is not going to be definitely beneficial in the year in which it is done. The proper way to build up the soil of an orchard is to cover crop and to turn that cover crop in. There is no dollars and cents return to the owner during that year, nor indeed at any time, except in the effect which the increasing of the humus of the soil has on the quantity and quality of the fruit. The same remark applies, to an extent, to pruning, spraying, thinning—all this is work which has to be done if the orchard is to be maintained at a proper degree of excellence to carry the fruit of subsequent years. Now, the soldier settler says, if revaluation is taken on now it may easily develop that the present-day value of that orchard is higher than it was when it was purchased, but yet the purchase was made during a time when land values were inflated, and it still is and always will be an undue burden on that soldier settler so long as he has to make his payments to the board on too high a value. I think in that also if the minister would make a statement that all these matters will be taken into account and that a real investigation will take place as to the sum of money paid in the year of purchase with regard to what that land really was worth, then the soldier settlers of Yale will at least understand the question much more thoroughly than they do at present.

With regard to the details of the resolution on which the bill is to be based, I am inclined to think, again confining my remarks to those parts of which I have knowledge, that there is virtue in the suggestion that in the first place the settler and the represent-

atives of the board should sit down across a table and endeavour to come to an understanding. As I said just now, officials of the board have realized for some time, I believe, that revaluation of at least some of these properties is an absolute necessity, and I believe that it will be possible to sift out those cases where the settler wishes revaluation and remove a considerable number of non-contentious cases from the list.

When it comes to the second proposition in the resolution, I cannot say that I am pleased with it, for that very reason which has already been mentioned. It matters not what government is in the saddle at the time; there will be the danger of partisanship entering into the provisions of the committee, and I would very much prefer to see a county court judge substituted, as has already been suggested by several hon. members, or in some way brought into the arrangement to be made, because I think the county court judge can reasonably be expected to be free from partisanship.

Mr. MEIGHEN: This is one of the very baffling questions confronting this House, Mr. Chairman. The principle of revaluation after sale is one admitting of application very seldom. The ground advanced here is twofold, as I grasp the debate which took place the other day, and also that of to-day. The first point is that there were certain lands sold by the board—which is by the government—to the settler above the actual value at the time of sale. This is more or less a minor ground for applying the revaluation principle. The major point is that there has been, since the sale, a very marked depreciation in the value of these lands, as of all other lands in the country.

4 p.m.

Referring to the first point for a moment, I would not endeavour to contend that in the performance of the enormous task undertaken by the Soldier Settlement Board, that in the administration of its great trust, involving the purchase of some 18,000 farms from one coast to the other and involving the value of lands far beyond this total for purposes of loans other than actual purchases and sales, there were not cases where the soldier paid too much. At the same time I hope I will be pardoned if I emphasize the fact that if ever precautions were taken to fortify the settler against inroads of that kind, they were taken in this great project. The land was valued not only by officers of the board but by independent appraisers, and the land had to be selected by and the price agreed to by the soldier himself. No soldier was permitted to enter who had not had farming experience which should have qualified him to value the land, or who had not had such training at the expense of the board as would similarly qualify him. I may say that so successfully did these precautions appear to have been that in every year during the time of those purchases, and during every session of parliament, hon. members were invited to lay before the board any case of a purchase and sale above the market value at the time, which had come to their knowledge. Until I left office, which was more than two years after the system was under way, and which was after the expiration of the purchase of almost all the soldier lands, there had not been one single case of a complaint presented by a member of this House on any side which even the member himself claimed to have been established. As a matter of fact I can still recall that members of the House, speaking from their seats, related cases of over-valuation; being subsequently requested in writing by the board to designate the farm and the purchaser, they refused to divulge the information. I may mention as well that in one province—for these circumstances I intimately recall—the board found it impossible to make any extensive purchases of school lands. The House will note that in the original act provision was made for the valuation by an officer of the province affected and by an officer of the board of any school lands requested by soldiers. In the case of the province of Alberta, for the simple reason that the officer of the provincial government absolutely declined to acquiesce in values low enough to meet the views of the representatives of the board, we found it impossible to make any substantial purchases of school lands. I may interpolate here that the then Premier of Alberta was the present Minister of the Interior (Mr. Stewart, Edmonton).

It is true that on the west shore of lake Manitoba we encountered a rascal who attained an office under the board. He subsequently got out of the country, which is the reason he is not serving a term in the penitentiary at the present time. He was largely responsible for purchases made there which certainly were not right, and some of which were nothing less than fraudulent. In addition though to his presence in the organization, we must remember that on the west shore of lake Manitoba there was at the time a very considerable development and optimism, resulting in extensive purchases by private individuals, among whom I will be forgiven if I include myself. Land was purchased then at prices not one-third of which could be realized today. The lands have since been simply abandoned, and the private individuals have had

to take their losses. The district did not open up as expected, but it is to be hoped that subsequently it will revive, as I personally think it will.

Similar occurrences took place on the east shore to a degree, I cannot doubt it, after hearing the words of the hon. member for Selkirk. In a word, wherever new territory was invaded the results were by no means satisfactory. The board would have done better if it had confined its operations more rigidly to well settled districts. However, this minor cause or reason for revaluation may be dismissed with those few words. I do not think it applies very far, and wherever it does apply, though it is true that the soldier acquiesced, and that in the main he knew the values just about as well as anyone else, still the board did adopt a sort of relationship of trustee for the soldier. It was not a specific legal trusteeship, but the board acted in a measure as his guardian, and I would think that wherever there was a case of overvaluation as contrasted with the actual value at the time, there should be now some reparation made, to the full extent of the overvaluation.

Of course, were the cases confined to those our problem would be very simple—the number would be negligible as compared with the total. Unfortunately, the entire enterprise has run against difficulties infinitely more complicated and serious. In one sentence the difficulties are due to depreciation of farm lands. This depreciation, I should say, commenced about the middle of 1921 and was more marked over the western provinces, and naturally so, than over any other part of Canada for the reason that it was there the great bulk of the system was in operation. It was in the western provinces that the soldier settlement venture encountered a great share of its difficulties. What the depreciation has been it is not possible to fix, and even if it were the average would not apply everywhere. The question comes: Should we attack the problem of seeking to restore to the soldier his loss through depreciation? Ordinarily a purchaser would have no such right. The civil purchaser outside the soldier has no such right; he must take his chances of a fall in values as he takes his chances of a profit on the rise. But even aside from the special claims of the soldier, in the ordinary affairs of men the vendor very frequently has to bear a share of the loss caused by depreciation of the land he sold. I do not doubt that it is a very general practice throughout western Canada today, possibly extending into the eastern provinces, that vendors of land make new arrangements with the purchasers—make them simply for the reason that it is the best thing they can do. The only other alternative is to lose that purchaser and take chances of a resale later on. Consequently, in the interests of the vendor, they deem it wisdom to adopt the principle of revaluation such as this bill seeks to adopt here. When we add to these reasons the special claims which we always recognize the soldier to possess I do not think very much of a case can be made against revaluation.

Then we are immediately faced with the question: How is the revaluation to be effected? This is a most difficult and complicated, if not baffling, one. One parliament, during four sessions, because of the difficulties in the way, was unable to come to any conclusion or recommendation. The difficulties, of course, are manifest. There is the utter impossibility of being fair to all the soldiers. I do not like to see any principle applied that is not fair to all the soldiers, in fact I am very apprehensive of the difficulties we are going to encounter later in starting revaluation at all, simply because it is utterly beyond human compass to extend it to all alike. Possibly, though, the exigencies are such that even that objection must be cast aside; we have to try to do the best we can.

Now, the minister has laid before the committee a scheme which I am afraid is not very mature, which is the most vulnerable I think of anything that has yet come from his mind. Indeed, if it were not the Minister of the Interior but any other member of the government who was presenting this plan I would be inclined to move first of all to change the title, and I would head the bill something like this: An Act to coerce soldier settlers into voting for the government, and to replenish the campaign funds of the party. I am not attributing these purposes to the minister, I know how innocent he is politically, but if he had intended such a plan designedly he could not be more open to the charge.

Mr. STEWART (Edmonton): I know my right hon. friend is unduly suspicious but I should like him to explain where he sees any chance for political capital or campaign funds in this bill.

Mr. MEIGHEN: The minister might expect the answer much more readily and would, perhaps, get it more fully, if he would consult the hon. member for Athabaska (Mr. Cross). It he did that I am sure the hon.

gentleman would tell him how it could be done by means of this measure. However, I will try to make it plain in my own simple way.

Mr. STEWART (Edmonton): I am not talking to the hon. member for Athabaska, I am talking to the right hon. leader of the opposition just now.

Mr. MEIGHEN: Well, I will try my prentice hand at it, but in this category I am very much like the minister himself. The minister proposes that there will be committees appointed here, there and everywhere to revalue the land. First of all, though, he proposes that before the committee operates he himself, through his representative, and the soldier will sit down and decide what the soldier is going to get by way of substractions from his liability. Was ever such power given a minister in the world's history? Why the minister by that act is simply handed, I would suggest, thirty or forty million dollars of the credit of Canada, of cash if you wish to call it that, and he is given a free hand to distribute that as he likes, as may best suit his advantage or party advantage among the soldier settlers of this Dominion. That is really what it amounts to, there is no restriction put on him at all. There are 17,000 settlers to use that money and it will be distributed where it will do the most good, and the minister can put his own interpretation on the meaning of the word "good." That is what the minister could do under this legislation. He will not dispute it. Does my hon. friend suggest to me that such is not the case?

Mr. STEWART (Edmonton): I beg my right hon. friend's pardon. The minister would dispute it.

Mr. MEIGHEN: He could not.

Mr. STEWART (Edmonton): However, you are making your speech; go ahead.

Mr. MEIGHEN: The minister will not dispute it, not in any reasoned speech. The soldier settler claims a reduction, and the minister could give him $100, $1,000, or $5,000 if he owes that much.

Mr. STEWART (Edmonton): The minister cannot do anything of the kind.

Mr. MEIGHEN: The minister's representative can.

Mr. STEWART (Edmonton): Oh, well, that is different.

[Mr. Meighen.]

Mr. MEIGHEN: Well it was always the same in my time.

Mr. STEWART (Edmonton): I must confess my right hon. friend had more power over the people he appointed that I ever had.

Mr. MEIGHEN: The representative cannot do it without the minister's authority. The minister chooses the representative. He appoints him, he dismisses him, he does what he likes with him—the representative is his agent. But if it comports more with the minister's sense of propriety to say that he can do through his agent what he cannot do with his own hands I have no objection to the euphemism, none whatever. This money is placed in his hands. Seventeen thousand voters with seventeen thousand wives, and I know not how many children, are all there. The minister, through his agent, spreads the forty millions round and I do not think he will find it very hard to reach his objective. It is a different thing when a minister is given power to buy land which he must sell at the time he pays to the soldier. He has no incentive whatever there to do anything save to get the lowest price for that soldier. There is nothing on earth he can gain there. But here he has got everything to gain by being lavish to the soldier. In the one case he could not possibly misapply or abuse the power given in relation to the purchase. In this case he could misapply and abuse to his heart's content.

Mr. STEWART (Edmonton): Is my right hon. friend still thinking of the minister?

Mr. MEIGHEN: I absolved the minister in point of intention at the first.

Mr. STEWART (Edmonton): My right hon. friend appointed this board in the first place. I have never changed them.

Mr. MEIGHEN: I know that.

Mr. STEWART (Edmonton): Will my right hon. friend just let me read for a moment what it is proposed to do:

> The minister may appoint district arbitration committees having jurisdiction in such soldier settlement districts as may be necessary, each committee to consist of three members, one of whom shall be an official of the Soldier Settlement Board, and one a representative of the Veterans organization in the district.

Mr. MEIGHEN: Yes.

Mr. STEWART (Edmonton): That is the distinction.

Mr. MEIGHEN: I have not got to that point yet, but it will be bad enough when I get there. I am now at the preliminary stage.

Mr. STEWART (Edmonton): The object is that there shall be a fair settlement between the Soldier Settlement Board and the soldier.

Mr. MEIGHEN: That is what I am objecting to, the fact that the minister can do this through his own appointee. It is true that he was appointed before the present minister came into office, but the minister can dismiss him and appoint another. The appointee is the minister's own agent, and can throw whatever sum he likes off the price of the soldier's land. It does not matter what his will may be, if he feels and is so disposed he can just use that soldier whatever way he likes, and if the soldier is looking after his own interests—

Mr. STEWART (Edmonton): If he controls the committee he can. However, I am perfectly willing and I will be delighted to be deprived of the power of appointing even the janitor, if that will suit my right hon. friend.

Mr. MEIGHEN: It is not the matter of appointment, it is the whole principle of revaluation.

Mr. STEWART (Edmonton): If my right hon. friend has that in his mind please get rid of it because I do not want it.

Mr. MEIGHEN: Then I have made considerable progress if we have got to the extent of discussing a new measure, instead of the one before us. I was discussing this measure. I do not think parliament should really put such power in the hands of any minister, no matter who he is, and if I were putting it in anyone's power, certainly in this government, I would rather give it to the Minister of the Interior than any other. He may value that compliment more highly than I do.

Mr. STEWART (Edmonton): I am always perfectly willing to take it from the source from which it comes naturally.

Mr. MEIGHEN: The minister says that if they do not agree there will be an arbitration board. Well, if he goes low enough we will always agree; if he is generous enough with the soldier there will be no difficulty in agreeing. In a word, as it stands this puts the whole settler population of Canada right in the political hands of the minister. Let us pass on from that and assume the minister is not prepared to make reductions sufficient to satisfy the soldier. This involves the necessity of erecting an arbitration tribunal. Now what a tribunal! The tribunal is the minister's representative, the official of the veterans association and someone else he names. I will not say that the other one will be president of the local Liberal association, but I know of ministers who would appoint no other, and I know this minister will appoint no other if he yields to the importunities of his colleagues. Consequently this bill will hand over to a long series of Liberal campaign committees all over Canada just thirty to forty million dollars of the money in the treasury of Canada. That is what it will do, and so sacrosanct is this tribunal to be that it is beyond all appeal. They know the final value of the land, and nobody else, and you cannot appeal from their decision to anybody, however high or however exalted. What they say finally ends it, and of course two of them could overrule the other. So that in the event of the representative on the committee named by the Soldier Settlement Board wishing to hold down the reduction, he would be utterly helpless and powerless in the hands of the official of the veterans association and of the Liberal named by the minister. The minister first of all takes all the power himself to distribute this largess, but if he is not willing to distribute it with a generous enough hand, he then puts it in the power of committees which he names, and whom he knows will be representative of the political interest of the party in power. I do not think the minister will seriously argue that any such thing should be done, or that we can justify before the people of Canada any such step. I know that he will contest the figure I suggest. I said thirty to forty million. The minister was good enough to tell me personally that he did not figure that this would cost over $10,000,000. I do not know how in the world he arrives at that figure, for this reason. If you tell a man owning a farm, whether a soldier or whatever he is, who is having a struggle—and most of them are—that if he finds the reduction insufficient he can get a committee appointed with power to make another reduction, you cannot tell me there will be only 25 per cent who will apply for reduction. I will give my estimate of the percentage, and my estimate will be, that 100 per cent will apply. What is the situation? We have 17,000 farms to be revalued. I do not think it is very seriously questioned that there is a natural depreciation, which would average, it may be, 40 per cent—forty per cent on over $30,000,000, because there is $38,000,000 owing—but does anyone think that with this plan we will keep up to the actual depreciation? Never in the world.

Mr. STEWART (Edmonton): I do not think in the light of the experience of the sales we have made it would run anything like 40 per cent. I placed it at 20 per cent.

Mr. MEIGHEN: I hope the minister is right.

Mr. STEWART (Edmonton): I am basing that opinion on the result of the sales that have been made already.

Mr. MEIGHEN: But as hon. members have stated—and I do not doubt the truth of the statement—the sales have been largely of the better parcels of land.

Mr. STEWART (Edmonton): Perhaps it is unfair to say that. There are still 1,200 farms—I am simply repeating what I got from the Soldier Settlement Board—that have been selected as first-class farms, or in that category, that we hope to settle this year with British settlers. There will be about 1,100 farms of the class described by my hon. friend from Selkirk (Mr. Hannesson). Some of them are of little or no value. Fortunately they are located in three or four different districts. They will still be on hand. But taking the 1,200, plus the sales that have been made, and applying that average over the whole of the purchases, it would look as though there would not be more than 20 per cent of the settlers now on the land who are entitled to any reduction.

Mr. MEIGHEN: The minister pays a compliment to the original purchasers even greater than I pay myself. I think in western Canada there has been a 40 per cent reduction in the value of real estate.

Mr. STEWART (Edmonton): My right hon. friend might be right with respect to 1923, but that is not true now.

Mr. MEIGHEN: On account of appreciation since?

Mr. STEWART (Edmonton): Yes.

Mr. MEIGHEN: I hope it is not true. It will be a bright morning for me when I awaken and find it is not true. But I am afraid it is just about true, and the minister will have many cases where there is far more depreciation. I earnestly hope he is right. But my hopes are not very lively. I really think he will find that 40 per cent is just about the average reduction in the value of real estate. I mean since these lands were purchased in 1920, because undoubtedly they were then at the very acme, at the very height. So that the suggestion as to the tremendous amount involved is not an exaggerated suggestion. It certainly is not exaggerated if this method of arriving at the amount is to be finally decided upon. Then the question comes, what should take its place? What would be a better plan? This is a much more difficult question to answer. Here is certainly one instance where criticism is much easier than constructive suggestion. Ordinarily when the funds of the nation are to be claimed by a private individual the method adopted is to have a court decide on the merits of the case and make the valuation. The Exchequer court is erected for that purpose. I know it is needless to suggest that the Exchequer court could be used so extensively as would be necessary here. It has not ramifications wide enough nor members numerous enough, but nevertheless it seems to me the principle should apply and we should try to make such variation as will suit the altered circumstances. Of course if the minister himself were the owner of the lands and suffered by the loss, there would be no need of any protection. Self-interest would take care of the situation. But just because the government is trustee, and self-interest is eliminated, then there must be something in the nature of a court established, and if something in the nature of a court is to be established, let it be as nearly as possible a court with all the safeguards of a court, a court where all self-interest will be eliminated and all local prejudice will be removed from consideration of the court; in a word, with all those other qualities which have given the courts of the land the status they have among our people. Certainly the so-called tribunals which the minister suggests have none of those qualities at all; they have all the weaknesses and none of the virtues.

The best suggestion I have heard—and I have passed it to the minister—is that the county court judge could be used for this purpose. The objection has been raised that county court judges were lawyers and I suppose in a sense they are lawyers still. I do not appreciate the objection on that ground; I cannot understand its being presented, as I believe it has been, chiefly by hon. gentlemen to the left. If this objection is to apply as against a county court judge, it would apply just the same against the whole structure of the Exchequer court. The business of the Exchequer court judge is mainly to decide land values, very frequently farm land values, often city land values, sometimes the value of chattels, personal property. As a judge he does not know anything about the value of the land whether

it is a farm or city property, or of the value of personal property, but as a lawyer he knows how to weigh the evidence of others on the value of the land or property and that is because he is so appointed. His experience as well as his training gives him that quality. That reasoning applies equally well to this case. County court judges not only are qualified to weigh evidence but have considerable experience along that line. They have to weigh evidence as to land values in the pursuit of their duties week in and week out, year in and year out. They have to do so not only in civil suits but in relation to appeals from assessments and all such things as that. That is their work. On the score of qualification, speaking generally—there will be exceptions—I do not think any attack can be made upon them.

But there is the further fact and an important one, that they have the time. Those situated where they will be required for the purpose of this legislation undoubtedly have the time to devote themselves to the task. I have long contended that we have far too many county court judges in this country. We could get along with far fewer, but if we have them, why not utilize them for this purpose? I am sure the great majority of them would be glad to be of service, and I know many of them who, like the sword laid by, rust and eat into themselves ingloriously because they have not enough to do. They are qualified for the work; they have the leisure, the time, to devote themselves to it, and they are on the ground. You do not have to go far in order to reach them; they are right there. I make this suggestion to the minister: Let him revise this scheme along those lines; put it into his power to come to the terms of the soldier, but make the terms so come to reviewable by the county court judge under such conditions that anybody who would pay more for the land could come in and make the offer and then the judge would say: No, this is not fair to the public; this is an attempt to gain political advantage at the expense of the treasury and I will not permit the reduction. If that safeguard is established, I doubt if it would ever need to be exercised in the whole courts of revaluation. The very presence of it would help.

Mr. NEILL: If the right hon. member will allow me to say so, I think the objection which arose in the Progressive corner of the chamber to county court judges was not so much because they were lawyers or ex-lawyers, but because they were comparatively ignorant of agricultural conditions. Would the right hon. member in his scheme allow or suggest the assistance to county court judges of agricultural experts, the same as is done in Admiralty court cases?

Mr. MEIGHEN: That is the province of the witness. The judge has to weigh the evidence adduced. As a matter of fact in the west the county court judges are pretty good judges of land; they are engaged in that work all the time; but in case they are not, it is the evidence they weigh.

Mr. NEILL: How about the Admiralty court?

Mr. MEIGHEN: That court deals with other subjects altogether.

Mr. NEILL: Admiralty court judges are always assisted by experts.

Mr. MEIGHEN: But the experts have no judicial role to play.

Mr. NEILL: Advisory.

Mr. MEIGHEN: Very good. The witness is advisory. I do not think such assistance would add to the value of the result; I think it would add to the expense. That would be my view of the matter, although undoubtedly it would be an improvement on this. I do not think there will be any difficulty in having county court judges very fairly and thoroughly review these cases, and I should like to see a provision which would make it unnecessary for the soldier to have a lawyer at all. I do not think a lawyer should be necessary. If we are going to authorize the court to appoint a lawyer for the soldier in any case, I would be appalled at the size of the lawyer's bill the board would have to pay, high as my opinion is of the profession, especially when I witness the bills which this government paid last session and the standard they have set. I do not say that they are alone in this offence; the standard has been set for quite a while. I think the standard is an outrage and I do not care who hears my words.

Mr. STEWART (Edmonton): The right hon. gentleman hinted at the procedure prior to going to the court. Does he agree with the provision in the bill that an attempt should be made to settle the case with the officers of the Soldier Settlement Board?

Mr. MEIGHEN: Yes, but the minister did not catch the precaution I set. After this settlement is made it should be reviewed on proper notice before a county court judge for the protection of the treasury. If they cannot come to a decision at all, they should both be given an opportunity to appear before the

county court judge upon due notice, and the proceedings should be so simple that there should be no necessity of a lawyer appearing on either side. Let the proceeding be summary and quick, but at the same time thorough. It might be possible to have some system afterwards of bringing an appeal before a court composed of all, but I hope that would not be necessary. That would be cumbersome and slow, and if such a board existed, I am afraid it would be always or nearly always resorted to.

Mr. STEWART (Edmonton): A review would involve a stated case on the part of the board and on the part of the soldier. There would be a difficulty there.

Mr. MEIGHEN: There would be no difficulty in stating the case. You would simply state the value; each side would append his reasons for that value, and the judge would probably want to hear some evidence in that case. But it is a precaution that is essential and I would think, if it existed, if each side knew that that precaution was there, there would be very few cases in which there would be any variation of the reduction made by the judge.

This general outline of a constructive suggestion I advance and I advance it with some timidity because I know the whole problem is difficult of solution. If I were to face it in view of one or two individual criticisms, I would say this: There is no provision for this class of cases where a considerable amount has been paid by way of reduction of the advance and where the tribunal would find that the depreciation represented a larger total than the balance owing. I do not doubt there will be many cases, perhaps hundreds of that kind. Is the man then to be given something back by the board?

Mr. STEWART (Edmonton): We did not insert any provisions; we are leaving that pretty largely to the discretion of the board simply to deal with the men who are on land.

Mr. MEIGHEN: It is essential that there be such a provision. You cannot get away without it. You have either to make a provision that, in the event of the amount of the depreciation being greater than the amount owing, the man is to get that back from the board, or else that amount of depreciation shall in no case be found to be greater than the amount owing. The latter would seem to me to be the necessary, although in some senses an unfair, clause to put in the bill.

[Mr. Meighen.]

Mr. STEWART (Edmonton): Would that not lead on to another stage at which you would have to deal with a man who really is off the land?

Mr. MEIGHEN: I was just about to say that this latter suggestion is to my mind necessary, namely, that no depreciation should ever be allowed greater than the balance owing. And it would be necessary, although unfair, because if you put it the other way then you would certainly be obliged to pursue the same principle further and restore the depreciation to those who have paid in full. There are in the proposals other minor defects which it seems to me it would be inappropriate to labour now.

Mr. FORKE: This is a very important matter. I have been receiving a great many letters, as I have no doubt most hon. members have done, telling heartrending stories about the struggles in which soldier settlers have found themselves in the matter of payment upon their land. I trust that we shall give to this matter the very best consideration and make the most satisfactory arrangement which it is possible for parliament to arrive at. I have listened with a good deal of pleasure to the remarks of the leader of the opposition (Mr. Meighen) and with the exception of a few of the little thrusts which I suppose he could not help making at the government his speech on the whole has, I think, been beneficial and helpful in solving this most important question. I do not see why we should be tied down to anything in the resolution in relation to the board which will finally adjudicate upon the value of the land. The valuation of land is one of the most difficult problems to be encountered in connection with agriculture inasmuch as land values vary so much in different localities and according to the geographical situation of the land. The question is also affected by considerations of transportation facilities and other factors that enter into the value of lands.

As regards the final appeal, I listened with a good deal of interest to the remarks of the hon. member for Selkirk (Mr. Hannesson). I want to assure that hon. gentleman that, speaking for myself personally as a member of the Progressive party, I am not particularly wedded to any one method so long as it is the best method we can devise of finding out the proper valuation of the lands. A number of years ago it was my privilege, or rather my duty, to value lands in the province of Manitoba, and there was no appeal from the valuation which I made in conjunc-

tion with another member of the board. I have always been impressed with the great difficulty of that position, for I used to feel that the task would have been much easier had I known that there might be an appeal from the decisions we gave. I have had a good deal of experience in Manitoba in the valuing of lands. I used to equalize all the assessments of land as between the various municipalities in the province, comparing one municipality with another, and as a result of the work I put in at that time I realize, perhaps as well as any one else can, just how difficult it is for one individual or a board to arrive at a fair and correct valuation of any given piece of land.

The hon. member for Yale (Mr. Stirling) referred to the valuation of land going down rapidly in British Columbia simultaneously with a fall in fruit prices. He said that the bottom fell out of the fruit market, so that fruit was practically of no value. It struck me as he made this statement that it was rather strange that the price of fruit did not vary very much in the prairie provinces at the time to which he referred. I mention this in passing to show that something is wrong with the economic system when the fruit growers in British Columbia must sell their fruit at very low prices while the consumers in the prairies never realize the fact that the value of this commodity to the growers in British Columbia is on the decline. Someone was evidently making far too big a profit out of the fruit growers.

Coming back to the question of valuing lands, I think we all realize that one of the great difficulties in connection with the matter is the fact that these lands were purchased during a time of inflation. As a matter of fact that is the trouble with the rural credit schemes in most of the prairie provinces. Rural credit was undertaken when land and stock were at peak prices, and when the security offered for loans seemed ample, although in a year or two it was not sufficient to cover the amount of the loan. When the soldiers came back from the war, an arrangement was made to have them settle on lands which unfortunately were being sold at very high prices. The soldier returned weary and worn from war service, and he was looking for a home immediately; he wanted a place in which to settle down and build a home for himself. I claim therefore that he was not then in the best condition to take care of himself. He was ready to take the first place that apparently suited him, and he entered into an arrangement which since he has found himself utterly unable to carry out. It is therefore the duty of parliament and of the country to see that justice is done to these men who have gone on the land.

I hope that we shall get some really constructive criticism from every quarter of the House. The measure having been introduced by the government, I do hope that the leader of the opposition will lend his constructive ability to make the act as fair and satisfactory as possible. We do not want it to prove a failure; we do not want it made an instrument for the aggrandizement of either one party or the other: we want a bill that will work to the advantage of the soldier settlers themselves and do full justice by them.

As to the appraisal of land values, I do not think that it would be the best thing to leave it to the superintendent of the board to decide upon the values. I must admit that while the leader of the opposition was speaking I could see some room for criticism in this regard; it seems to me that probably this would not be the very best method to adopt to begin with. I do not see why we could not adopt some system similar to a board of arbitration. The local superintendent acting with someone appointed by the soldier settlers might comprise the first board of appraisal. I do not think that the soldier settler's representative ought to be a lawyer or a businessman—well, I would not say that he should not be a businessman, but I would insist upon his being well acquainted with land valuation. These two might not agree; and while I was at first opposed to the idea of carrying an appeal to the county court judge, I have come to the view that if the two appraisers forming the first board could not agree then the appeal might be made to a judge. I would not be entirely averse to such an arrangement. It has been argued of course that a county court judge might not be a judge of land; he might not know very much about land values. But I am inclined to agree that he could perhaps come to some satisfactory decision, after listening to the evidence submitted to him on appeal, and strike a reasonable balance between the differences of opinion upon which he might adjudicate. So that I am not standing firmly against a proposal of this kind. In fact, Mr. Chairman, before the bill is passed I would be willing to accept almost any proposal, no matter how I might have regarded it at the outset if I thought it was an improvement on my own idea. The great thing after all is to enact a really good piece of legislation that will do justice to our returned men on the land. I know that this will be very difficult to accomplish. I shall not at-

tempt to estimate the amount of money it will involve, but we might as well make up our minds to do what is necessary. This is a war loss, there is no mistake about it, and it is not going to be lessened by ignoring it year after year while conditions are steadily growing worse. I would rather see mistakes made and the land undervalued than have the present condition continue indefinitely. This is one of our post-war mistakes, and we are doing neither ourselves nor the soldiers on the land justice when we leave them unassisted to accomplish an impossible task.

One of the difficulties arose from the fact that at the outset a great many people would not believe what they were told about the unsatisfactory condition of our agriculture. Those of us who are farming our own unencumbered lands found during some of those lean years that the balance was on the wrong side of the ledger. I do not mind telling the committee that one year I went behind $2,000 although I did not owe one dollar upon my farm. How was a soldier settler to get through such a disastrous year when he was further handicapped by having to make payments on his land? It was an impossible task. The reason perhaps that we of the Progressive group were more sympathetic towards our soldier settlers was that we were in a better position than most other members to understand the actual difficulties which confronted those men.

I am sure the minister will be ready to adopt any suggestions to improve the bill which will be based on this resolution, and I appeal to every member of the committee to regard the proposed legislation as at least an attempt to do justice to our soldier settlers by helping to remedy what at the present time I believe is nothing less than a scandal.

Mr. ARTHURS: Mr. Chairman, I was for many years a member of the Pensions committee of this House which had this question in their charge, and I can readily understand the difficulty the minister has in framing a bill which will be satisfactory to all of our returned soldiers who have settled on the land. I would ask him at the next sitting of the House to be prepared to give us a little information along these lines:

First, the total number of soldier settlers in each province.

Second, the number who have paid in full.

Third, the number who are in arrears.

Fourth, the total value of the land occupied at the present time by returned soldiers who will ostensibly come under this measure.

We should also like to know, as the right hon. leader of the opposition has suggested, who will properly come under this legislation. The bill itself reads:

[Mr. Forke.]

> The settler. . . . who has not repaid his indebtedness to the board,—

I presume that would mean those who have not repaid it in full.

> —and where there has been a decrease or depreciation in the market value of such land...

Also the settler apparently must be at present residing on the land. It appears to me that under this resolution a man who owed a few dollars to the board would find himself in the position of having some money coming to him from the government instead of having a further payment to make. Along that line the difficulty which we had in our committee in the past—and it is a difficulty that this or any other government must face—was to do justice to those men who by hard work—as contrasted with the carelessness of those who have failed to keep up their payments—have paid for their land in full. We have thousands of cases, I believe, in every province where two men on exactly similar land, which then and to-day would be valued at exactly the same figure, provide a striking contrast, one having paid in full and the other having paid practically nothing. Is it fair to the man who by his industry and by his thrift or by the assistance of his friends,—which ultimately he must repay—should receive no consideration while the other man, who simply through lack of industry and economy is in arrear with his payments, should be granted a reduction of from 30 to 40 per cent in his indebtedness? This is a question which the government must consider very seriously. It is a question that is receiving a great deal of attention among our returned soldiers.

I think this measure should be considered entirely upon its merits, not from the point of view, as expressed by the leader of our Progressive friends (Mr. Forke), that we should do everything we possibly can for the returned soldier, for in this case it would only lead to benefiting those who have not paid at the expense of those who have.

Mr. SUTHERLAND (South Oxford): Mr. Chairman, I also have been a member of the committee dealing with the pensions and settlement of returned soldiers, since its inception. I have a very distinct recollection at the time when legislation of this character was first brought down of saying that I was afraid many of these soldier settlers would curse the day that they ever accepted a loan to go on the land. I am sorry that my prediction has come true. It is generally admitted to-

day that the conditions on our farms are not at all satisfactory. The government by this measure propose to help to a limited extent some of the soldiers who are still on the land which they secured under the soldier settlement scheme. But I think we should first of all very carefully consider what has brought about these deplorable conditions. I have witnessed a disposition on the part of the government ever since they came into office to belittle the interests of those who are engaged in agriculture, and to sacrifice those interests in order to obtain concessions and advantages for those engaged in other industries or occupations. I have repeatedly directed the attention of the government to this matter. A year ago when the Minister of Finance (Mr. Robb) introduced a trade treaty with one of our sister dominions I took the ground that it was very unfair and unjust to those of our people who were engaged in agriculture, particularly to the returned soldiers who had been induced to go upon the land under the soldier settlement scheme. These men returning from the struggle and turmoil of war regarded these loans as very attractive, and the quietness of country life appealed to many of them, particularly to many who had not had very much farming experience, with the result that many of them have already been forced to abandon their farms and lose the money which they put into them, while others are in very difficult and straitened circumstances to-day. I readily admit that something must be done for those men. To my mind it is one of the greatest tragedies we have had happen in this country, that men who have rendered such sacrifice and service to their country should afterwards be placed in such a position that after years of labour and after spending everything they had, they are practically forced to abandon their last possessions. Now we are proposing a measure of relief or revaluation, and at the same time the government have another scheme under consideration, namely, old age pensions. All these things lead one to wonder what the end is to be. We talk about the wonderful possibilities of this country; the country apparently has great possibilities, but there is something radically wrong with the means by which this country is governed at this time. I have always taken the stand—and particularly so since the great country to the south adopted a tariff which is absolutely prohibitory—that it is absolutely essential for us to adopt something of that nature, so far as those engaged in agriculture are concerned.

Mr. NEILL: Mr. Chairman, I rise to a point of order. What has the tariff to do with this question?

Mr. SUTHERLAND (South Oxford): Notwithstanding the interruption, Mr. Chairman, I consider that it has very much to do with the question, and that it is largely responsible for the condition at present existing among those on our farms.

Some hon. MEMBERS: Order, order.

Mr. SUTHERLAND (South Oxford): What is the point of order?

Mr. DUNNING: The point of order is the one raised by the hon. member for Comox-Alberni (Mr. Neill). Is my hon. friend discussing the resolution before the House?

Mr. SUTHERLAND (South Oxford): I expected that a point of order would have been raised after the interruptions by the two hon. gentlemen opposite, but apparently none is to be raised. I was pointing out that the conditions which prevail to-day among the returned men, the conditions which are responsible for the remedial measures brought forward to assist those still on the land, might be remedied by other means. Before the orders of the day were called this afternoon I endeavoured to get some information from the Minister of Finance (Mr. Robb) with regard to a matter which affects these men very very much indeed, but failed to do so.

The thing which is so apparent is that these men, with a very limited capital, engaged in mixed farming, in poultry raising, in dairying and in work of that kind being unable to start on an extensive scale, particularly in western Canada. I know that in Ontario they usually bought small farms and carried on that sort of farming, and to-day the government are endeavouring to supply the people of Canada with the products of foreign countries rather than with the products of our own farms. This is one of the most serious things with which the returned soldier has to contend. Realizing that, I introduced a motion in the House some time ago, regretting that some redress was not being provided for these men, and it was this class above all others that I had in mind at the time. Now we propose to take $30,000,000 or maybe $40,000,000 out of the treasury of the country and hand it over to the 17,000 men still left on the land, by a revaluation of their property, and attempt to remedy their difficulties in that way. If conditions are as bad as the government admit they are, and if agricultural conditions in this country are so unsatisfactory that the value of land has depreciated to so great an extent, what about the rest of the people who are not returned soldiers and who are leaving the land by the thousands? Even

5 p.m.

more would be leaving if they could get away. The blighting influence of this government has been noticed not only during the last year but almost since the time they came into office, and that influence has been encouraged by my hon. friends to my left who have stated, notwithstanding the remarks of the leader of the Progressive party (Mr. Forke), that they understand the conditions of the returned soldiers better than anyone else. I say they have not shown the interest in the returned soldiers which they should have shown.

Mr. McLEAN (Melfort): I would like to ask the hon. member if this distress did not commence before this government came into office?

Mr. SUTHERLAND (South Oxford): I am referring to the conditions which have developed since this government assumed office.

Mr. McLEAN (Melfort): Did not this distress commence before this government came into office?

Mr. SUTHERLAND (South Oxford): Is it the distress in the government ranks which my hon. friend speaks of?

Mr. McLEAN (Melfort): The distress due to the deflation of land values; did it not commence before this government came into office?

Mr. SUTHERLAND (South Oxford): It is certainly much more pronounced at present than it has been at any time since the government took office.

Mr. McLEAN (Melfort): I would like the hon. gentleman to answer the question. Will he not admit that this distress commenced before the present government came into office?

Mr. SUTHERLAND (South Oxford): I do not understand that I am under orders from the hon. gentleman.

Mr. McLEAN (Melfort): I simply asked the hon. member if he would be courteous enough to answer my question. I am not trying to give out any orders.

Mr. SUTHERLAND (South Oxford): I may say to my hon. friend that it has been so noticeable since the government took office, and at present the distress is so apparent that all these remedial measures are being suggested—old age pensions, relief for the men who have gone on the land. This is the best evidence I can advance to show that the distress is more acute to-day than it ever was before.

Mr. McLEAN (Melfort): So the hon. gentleman refuses to answer my question, does he?

Mr. SUTHERLAND (South Oxford): Just along that line, Mr. Chairman, take the case of a returned soldier out in my hon. friend's constituency. Suppose he is carrying on a farm in a small way; his revenue is largely derived from dairying, or possibly from poultry raising. What does he find to-day, as a result of the operation of a measure put into effect by hon. gentlemen opposite?

Mr. STEWART (Edmonton): Well, what does he find?

Mr. SUTHERLAND (South Oxford): Yes, what does he find? He does not find what the farmer in the United States finds.

Mr. STEWART (Edmonton): Will my hon. friend deny that butter and eggs are higher in Canada at the moment than they are in the United States? That is the final answer.

Mr. SUTHERLAND (South Oxford): My hon. friend knows as well as anyone—

Mr. STEWART (Edmonton): Certainly I know.

Mr. SUTHERLAND (South Oxford): —that in the southern states, where the warm weather comes in much earlier than it does in Canada, conditions are much more favourable for production than in Canada during the winter. This was the argument advanced by the Minister of Finance.

Mr. STEWART (Edmonton): My hon. friend knows perfectly well that in Canada to-day the price of butter and eggs is higher than it is in the United States. That is the point.

Mr. SPENCE (Parkdale): And the hon. member ought to know the reason.

Mr. STEWART (Edmonton): Yes, I know the reason.

Mr. SUTHERLAND (South Oxford): The predictions of the government, and particularly of the Minister of Finance, that they were going to encourage by the Australian treaty a continuous supply of dairy products, meats and such things from the southern hemisphere during the winter months, induced the people of this country to export their stock of supplies early at low prices. They did not keep their stock for the higher prices, as had been customary in the past.

Some hon. MEMBERS: Oh, oh.

Mr. SUTHERLAND (South Oxford): My hon. friends laugh, and I heard the new Minister of Railways (Mr. Dunning) say, "Isn't this awful?" Let me inform the Min- of Railways that during the month of March to date we imported from the United States 1,734,651 dozen eggs, under a tariff of 3 cents per dozen. Let Canadians ship their eggs over to the United States and find out what treatment they will get from that country.

Mr. DUNNING: Because the price is higher here than it is there.

Mr. SUTHERLAND (South Oxford): The United States imposed a tariff of 12 cents a pound on butter going into that country in order to protect their own producers. What has happened in the case of this country? During the three months of this year, 1926, under the treaty negotiated by hon. gentlemen opposite, there have been imported into Canada no less than 4,406,610 pounds of butter from Australia and New Zealand.

Mr. DUNNING: And the price was higher than anywhere else in the world.

Mr. SUTHERLAND (South Oxford): The argument of the Minister of Agriculture seems to be: The more you bring in the higher the price will be. In consequence of heavy exports of Canadian butter somewhat of a shortage was created in the home market. This was followed by a rise in price with the result that we are now up against competition from Australia and New Zealand, who are shipping large quantities of their own butter into the Dominion bonused by Australians to the extent of 6 cents per pound. The inducement held out to soldier settlers, and others engaged in the farming industry is, "Keep down the tariff on butter to one cent a pound and permit of subsidized imports from abroad and everything will be well." During the month of March, up to the present, the 29th, we imported 1,165,232 pounds of butter from Australia—

Mr. CANNON: I rise to a point of order.

Mr. SUTHERLAND (South Oxford): —to compete with the butter which should be produced by our own people.

Mr. CANNON: Unless my hon. friend, Mr. Chairman, promises to conclude his remarks soon I call your attention to rule 19.

Mr. SUTHERLAND (South Oxford): It is not to be conditional if it is a point of order.

Mr. CANNON: It will be peremptory. The rule to which I desire to draw attention is No. 19 which contains the following paragraph:

> It is a wholesome restraint upon members to prevent them from reviving a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

I have heard my hon. friend speak at least fifty times on the question of Australian eggs and butter.

Mr. SUTHERLAND (South Oxford): Well, Mr. Chairman, I hold in my hands the returns from the Department of Customs dated yesterday, and the minister never heard me discuss this matter before.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: I would ask the hon. member to keep as near the subject of the resolution as possible. I am quite sure that now his attention has been drawn to the point he will do so.

Mr. SUTHERLAND (South Oxford): I rose to point out that the government, as a result of their own actions, have been largely responsible for the conditions which prevail. Instead of providing a real remedy or cure for those conditions they are now seeking to advance a scheme which will make possible by appointees of the government a supervision over the cancellation of the loans advanced to these men who are on the land, and in that way they will be able if so disposed to control them politically.

Mr. BROWN: Is the hon. member under the impression that this scheme provides for the lending of money?

Mr. SUTHERLAND (South Oxford): It provides for the concellation of loans—

Mr. BROWN: My hon. friend had better read the resolution.

Mr. SUTHERLAND (South Oxford): —which makes it much more objectionable. It provides for a reduction of the obligations of these men with respect to the amount they owe on these lands. I do not know what else my hon. friend (Mr. Brown) could term it. The resolution is one that certainly is necessary in order to relieve distress, and we might just as well understand the cause of that distress now as at any other time. The situation has become so acute that the prospects for the future are far from bright.

Mr. STEWART (Edmonton): May I tell the hon. gentleman that the situation is not acute at all? The soldiers have paid in more money this year than in any other year in their history.

Mr. DUNNING: Hear, hear.

Mr. STEWART (Edmonton): When the hon. gentlemen wanders so far from the subject I find it necessary to correct him.

Mr. SUTHERLAND (South Oxford): If that is the case and the soldiers at present on the land are that much more prosperous surely the case presented by my hon. friend from Parry Sound (Mr. Arthurs) should receive some consideration.

Mr. STEWART (Edmonton): Surely.

Mr. SUTHERLAND (South Oxford): And those soldier settlers who have been forced off the land and who have lost everything they own are entitled to receive every consideration. Probably when the minister brings down the information which he has promised we will be in a position to discuss the question much more intelligently.

Mr. STEWART (Edmonton): I do not think that information will help my hon. friend one particle if he will permit me to say so.

Mr. SUTHERLAND (South Oxford): I have endeavoured to show that the stand taken by the minister at the present time has no substantial footing.

Mr. STEWART (Edmonton): The information in question has been brought down from year to year, and is on the records of the House. I am perfectly willing to bring down further information so that what is already available may be brought up-to-date.

Mr. SUTHERLAND (South Oxford): Since the time of which the minister speaks a great many of these soldier settlers have been forced to give up their holdings and have been sold out.

Mr. STEWART (Edmonton): I will certainly bring down the desired information. I do not carry it in my memory.

Mr. SUTHERLAND (South Oxford): I thought from the remarks made that you did.

Mr. STEWART (Edmonton): Oh, no, not at all.

Mr. SUTHERLAND (South Oxford): I should have expected the minister to have full information for hon. members upon bringing a matter of such importance before the House.

[Mr. D. Sutherland.]

Mr. DUNNING: There appears to be a disposition in all quarters of the House to regard this problem as one which must be dealt with. There is also a general disposition, with one or two exceptions, to regard it as a problem which should be dealt with on a non-partisan basis, and to carry on the discussion from other than an acrimonious, partisan, political point of view. Some hon. gentlemen have departed from that course, and the hon. member who just sat down is one of them. It appears to be possible, notwithstanding the rules of the House, to interject protectionist matter into the discussion of every question, from old age pensions to soldier settlement, regardless of the irrelevancy of such interjections. The other exception I have in mind, of course, was my right hon. friend the leader of the Conservative party, who built up for our view a gigantic scheme of political manipulation which would be under the direction of the Minister of the Interior if the bill to be based on this resolution should pass.

Mr. MEIGHEN: It would be a lot more serious if it were done under your own.

Mr. DUNNING: I expected my right hon. friend would probably be a little more humble in connection with this matter, for the reason that this is another of those anaemic babies which his government left on the doorstep of the present administration in 1921. I do not think my right hon. friend can complain of having been ungenerously treated by the Minister of the Interior or by the government with regard to his motives at the time of the inception of the scheme. The right hon. gentleman has been treated, in the past and during the present session, with marked generosity in that regard, although he might very well have been subjected, following the line set by himself, to very grave criticism in connection with the expenditure of tens of millions of dollars of the country's money in the carrying out of the scheme of which he was the father. We all admit that his motives in inaugurating that scheme were of the best, but admitting that, we have a right to demand of him similar fair and courteous treatment in our endeavours to clean up the mess which was left on our doorstep.

My right hon. friend says that the Minister of the Interior is to have the exercise of full power in connection with thirty or forty million dollars' worth of property, and he depicts what could be done in the way of the operation of a political machine when that large sum is being distributed. I ask him, is that fair? The board which will deal with this

matter is identically the same board which my right hon. friend appointed when he inaugurated and administered this scheme, and if it was safe to entrust to that board the purchase of seventy or eighty million dollars' worth of land, if the members of this board were honest and non-partisan in all their dealings at that time and under those circumstances, have we not every reason to believe they will be equally fair, equally honest, and equally non-partisan in handling this proposed readjustment of values, that is, in so far as the initial steps provided for in the resolution now before the committee are concerned? What are the initial steps? They are that an arrangement may be made as to the amount of this depreciation between the soldier settler and the board direct, without any local or judicial intermediary. The board and the soldier have been dealing with each other for a number of years. The board purchased the land for the soldier under the regime of my right hon. friend. He says himself this afternoon that the great bulk of the purchases were made at prices which were too high, and he admits that the great bulk of them were made at a time when he was in office. This goes to prove what I said a few moments ago, namely, that we will have to clean up the mess; and in our endeavour to do that we are subject to attacks such as those to which I have referred. The men who were in charge in my right hon. friend's administration are still in charge. My hon. friend the Minister of the Interior has not displaced the appointees of the right hon. leader of the opposition. Is it the fact that my right hon. friend knows what his party endeavoured to do that makes him so suspicious about what might be done?

Mr. MEIGHEN: Endeavour to do where?

Mr. DUNNING: In connection with creating a political machine out of the Soldier Settlement Board.

Mr. MEIGHEN: That we endeavoured to create a political machine?

Mr. DUNNING: I asked if the accusation that was made that we would have power to do certain things under this scheme is based upon the knowledge of what my right hon. friend endeavoured to do?

Mr. MEIGHEN: I ask my hon. friend now if he suggests that we attempted to make a political machine out of it?

Mr. DUNNING: My right hon. friend denies that he ever attempted to make it a political machine.

Mr. MEIGHEN: I am asking my hon. friend if he suggests it.

Mr. DUNNING: I suggest nothing of the kind, but I ask him to be equally fair to us and not suggest that we would do the same thing. That was exactly what my right hon. friend did this afternoon. He made the suggestion with regard to the members of the government that they would do what he himself repudiates having done when he sat in the seat of authority. Honesty is not a matter of politics. There are honest Liberals and honest Conservatives. I believe that my right hon. friend endeavoured to operate this scheme honestly and fairly, and I only ask of him that he will be equally generous with regard to the motives of those of us who are in charge of affairs now. That is not asking too much.

With regard to the machinery set up under this resolution, does my right hon. friend not see the similarity between this machinery which he condemns and that which he set up for the purchase of the land in the first place? My hon. friend from Brandon will recognize the machinery which was established, I am sure, and it did involve the appointment of local boards of appraisement. If it was perfectly right and just to have local boards of appraisement when the land was purchased, what then is politically or publicly wrong with having local boards of appraisement with respect to the depreciation which has occurred since? Surely that is a matter of common sense. So far as the government is concerned we would appreciate suggestions not actuated by political malice or partisanship, but suggestions of the character my right hon. friend made during the greater part of his speech when he got away from political spleen and political malice.

So far as the district court judge is concerned, he, of course, by virtue of his position, would be above suspicion of influence in connection with this matter, but would deal with it from the purely practical point of view. In regard to the appeal going to the district court judge, may I say this: In connection with matters of an almost similar character, having to do with land values for assessment purposes, for many years each of the western provinces followed the procedure of appeal to the district court judge. There is a tendency to get away from that practice nowadays. That is not due to any lack of faith in the judiciary, but because the determining value of land is not merely a matter of evidence; all sorts of opinion as to the value of a parcel of land are expressed

before a judge. It is rather a more practical method, and for that reason in the western provinces—and I believe in some of the eastern provinces—there have been developed special tribunals, usually for the whole province, having to do solely with the assessment work, men skilled in the matter of land value, skilled in the matter of assessment. In Saskatchewan, for instance, there is an assessment commission of three men, all of them experienced in the matter of assessment and land values, having to do with that and that alone; and they are the court of appeal with regard to the value of lands generally. I think it would be the testimony of men from that part of Canada who are familiar with that type of settlement that this system works better and more satisfactorily than an appeal to the local county court judge, for the reason that the opinion of one judge as to the value of land may vary very greatly from the opinion of his brother judge from the district alongside of him.

In conclusion, I say that the government is not desirous of approaching this matter at all from the point of view of party advantage. There is no thought in the mind of my hon. friend the Minister of the Interior of creating a political machine; indeed the right hon leader of the opposition accorded to the minister a certain political innocence which I fear he would not accord to me. But perhaps he will believe me when I say that I never had in my mind any idea that it would be possible to do with this measure what he suggested we are going to do, until he himself made reference to it this afternoon—he compels me to think about it.

But after all this subject is too great for even the friendly bickering which may take place across the floor of the House. It bristles with too many problems. If we cannot deal with it without political partisanship we certainly cannot solve it by the aid of political partisanship, and I feel sure the minister will be prepared to give consideration, on the further stages of the bill, to the constructive suggestions which have been made, with the object of dealing more effectively with what is admitted to be a most difficult matter indeed. I am not much enamoured personally of the suggestion with respect to the appointment of the district court judge. I recognize the difficulties of the district board of arbitration. I have personally a great deal more faith in the possibility of securing a proper settlement as between the Soldier Settlement Board and the settler than I have in any subsequent appeal. The machinery for subsequent appeals must be created, of course, to deal with that class of case which cannot be settled by negotiation. But I do not believe that the appeal machinery should be set up in such form as to invite wholesale appeal, because costs will be involved in appeals. You may say, "Have no lawyers." Well there will be lawyers, and they will be needed. Usually they do a lot more than they are really required to do, and they charge a lot more than most of us like, but they are handy to have round in connection with matters of this kind.

The best solution may be to invoke the assistance of the district court, I feel sure the minister will consider that. But my object in rising was really to plead that we should attempt to deal with this matter on its merits. A general discussion on the tariff on which we cannot agree will not advance this matter, neither will a general discussion on old age pensions or rural credits help us in dealing with this practical question. We know this is before us. Australian butter is not before us at this moment, neither are Chinese eggs, but we are faced with the position in which we find ourselves in relation to the soldier settlement scheme. I feel sure that my right hon. friend will pardon my reference to his suggestion that we are going to get $40,000,000 of a campaign fund out of this matter. We have no such intention.

Mr. MEIGHEN: The Minister of Railways and Canals (Mr. Dunning) has evidently decided to import into this assembly methods that he has been accustomed to adopt in the legislature of Saskatchewan. It will be a kindness to him—I offer it not in any didactic spirit at all—if I advise him in advance that in this House argument is always of more value than loquacity and reason has much more effect than vociferation. He urges very strongly the abandonment of party spirit in the discussion of this measure and cites me as an instance of an offender. I will place the few remarks I ventured to offer to this House on the subject of this resolution by way of contrast to what we have just listened to from the Minister of Railways, and I will put myself in the judgment of those who certainly are not partial witnesses in my favour —say hon. gentlemen to my left—as to which was an example of heated and insane partisanship.

He is very strongly of the view that we should discuss this subject on its merits. With that we are in accord, but the first thing essential to a discussion of any subject on its merits is to really know that subject. It is this essential which the minister has yet to surmount. He does not understand the

resolution to which he gives such vociferous adherence. He says that I cast aspersions upon the intention of the government, and in the next breath he admits that I cast none whatever; that I admitted in the first place that the minister himself had no desire to use this machinery for political purposes. What I contended was that the machinery was such that it could readily be used for such a purpose, and I stated that this parliament has no right to pass legislation which is open to any such use. Did the minister argue on that question? He never touched it. It is something he cannot appreciate. His mind is far removed from anything in the way of a machine in politics—a machine found in another stratum of existence far from that in which he has lived all his life—so much so that he cannot come to a discussion of its existence from one side or the other.

Mr. LAPOINTE: Keep cool, brother.

Mr. MEIGHEN: Did the Minister of Justice say that he boasted of his machine?

Mr. LAPOINTE: No.

Mr. MEIGHEN: A friendly press gives him credit for having done so, and in doing so he would speak words of sincerity with much more appeal to me than his words of this afternoon.

Mr. CANNON: It seemed to work well yesterday.

Mr. MEIGHEN: What did?

Mr. CANNON: Our machine.

Mr. MEIGHEN: I place the Solicitor General alongside of the Minister of Railways and I ask this House: Would you put either of them above the use of a machine? Would you like to entrust this conglomeration of quickly adjustable election machinery to the operation of either the Solicitor General or the Minister of Railways?

Mr. CANNON: I never use a telegram in cipher during any election.

Mr. MEIGHEN: Nor did I; nor did I ever suggest it against another when I had no evidence in support of the suggestion. I throw back at the Solicitor General the insinuation, and I say that whenever he comes before this House and makes the exhibition of himself that his colleague did when he brought that telegram into this chamber and failed entirely in support of it, I shall be sorry for him and think it is about time for him to extricate himself from public life. But from one point of view the collapse of the former minister at that time was even more creditable than the insinuation of his successor to-day.

The minister says: If the board was honest enough to operate a purchase of lands, why cannot it be honest enough to operate a reduction in price?

Mr. DUNNING: To negotiate it.

Mr. MEIGHEN: Very good. I laboured to make that point clear, but I did not get it into the head of the minister. I will try again. The original act did not lend itself to political manipulation at all; there was no possibility under it of using the soldier as a political agent or of bringing coercion upon him. The act was not such that it could be used in that way, no matter how the minister might have desired to do so.

Mr. DUNNING: My right hon. friend's statement does not make it so. It is merely a statement.

Mr. MEIGHEN: I propose now to show why it was so, but it would have been rather appropriate for the minister to show that it could have been so before he used the language he did in his address. The minister, through his board going out to buy land for the soldier, could bring no pressure to bear upon that soldier whatever. The act did not give him the power to do so, and I demand of the minister to read me the clause of the act which gave him such a power. He could not offer the soldier any reward, nor could he hold out any penalty.

Mr. YOUNG (Weyburn): What about the man who was selling the land?

Mr. MEIGHEN: He could not do the same either. The soldier himself had to be satisfied with that land and with its price, and so had the board of appraisers. There was no way therefore in which the machinery could have been used as election or political machinery in any sense. The parliament of the day was not asked to depend upon its opinion of the sincerity and public spirit of the minister, whatever its opinion might have been, before it could endorse that legislation. This parliament is now asked by the Minister of Railways—and the demand is made in imperious tones—to do that very thing in relation to this bill. Under this legislation the minister can go out and scatter favours with a largesse to his heart's content, and with no restraint whatever, among 17,000 men.

Mr. DUNNING: Rot.

Mr. MEIGHEN: The minister says, "rot." Well, the minister perhaps knows what rot is.

Mr. DUNNING: That is it.

Mr. MEIGHEN: The minister's language is reminiscent of the legislature from which he comes and of the methods for which his government was notorious.

Mr. DUNNING: I do not know whether it is in order for an hon. gentleman to reflect upon another parliamentary body as my right hon. friend has just done.

Mr. MEIGHEN: It is equally parliamentary to the language of the minister. We are in a parliament now where the minister will have to take the medicine he seeks so feebly to give. I suggest to him that he will have to arrive at a much higher state of competency before it will be wise for him to try again.

I repeat that under this bill, if it goes through in the form anticipated in the resolution, the minister can take the funds of Canada without any restraint whatever if he is so disposed. I do not suggest now, nor did I suggest when I first spoke, that he is so disposed; but the fact is that without any restraint at all he can take those funds to the extent of the whole value of the lands, to the extent of the whole indebtedness, and divide them among the returned soldiers owing money.

Mr. CANNON: How?

Mr. MEIGHEN: By reducing each indebtedness by the full amount.

Mr. CANNON: He cannot.

Mr. MEIGHEN: He can.

Mr. CANNON: He certainly cannot.

Mr. MEIGHEN: Why can he not?

Mr. CANNON: Because there is machinery to prevent him from doing so, which machinery my right hon. friend has been discussing for ten minutes.

Mr. MEIGHEN: The Solicitor General has not read the resolution or he would not suggest any such thing. Whatever I might charge against the Solicitor General it would not be lack of brains. If he reads the resolution he will see that the minister never needs to invoke that arbitration machinery at all. All he has to do is to agree with the soldier to make whatever reduction he, the minister, feels disposed to make.

Mr. DUNNING: No, no. It is the board, not the minister.

[Mr. Dunning.]

Mr. MEIGHEN: The Minister of Railways (Mr. Dunning) has not read the resolution either; he has not the faintest notion of the resolution he has discussed. The board never comes into existence unless the minister and the soldier fail to agree.

Mr. DUNNING: Oh, no. My hon. friend is wrong.

An hon. MEMBER: It is the settlement board.

Mr. MEIGHEN: The minister acts through his agent, the settlement board.

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: The settlement board is the representative and agent of the minister.

Mr. DUNNING: As it was under my right hon. friend.

Some hon. MEMBERS: Hear, hear.

Mr. MEIGHEN: Certainly. Let the minister try to hold his temper for a little while and keep his seat. This signalling of followers hardly becomes the House of Commons. I thought the minister when he mentioned "board" referred to the board of arbitration.

Mr. DUNNING: No, no.

Mr. MEIGHEN: I see now that he referred to the settlement board. But the settlement board in acting acts under the direction of and subject to the imprimatur of the minister. That always has been the case and is the case to-day.

Mr. DUNNING: Under your regime too.

Mr. MEIGHEN: Certainly.

Mr. DUNNING: And that is my point.

Mr. MEIGHEN: Certainly it was the same under my regime.

Mr. CANNON: Would the right hon gentleman claim seriously as a lawyer of any standing that the Supreme court is the Minister of Justice?

Mr. MEIGHEN: Not at all. The Solicitor General is making a ridiculous suggestion.

Mr. CANNON: It is no more ridiculous than my right hon. friend's suggestion.

Mr. MEIGHEN: Does the Solicitor General suggest that the Soldier Settlement Board bears to the minister the same relation as the Supreme Court of Canada bears to the government, or the Minister of Justice? The suggestion is ridiculous. The Soldier Settlement Board's conduct is O.K.'d. by the minister from day to day, and nothing of importance it does becomes effective until it is so

authorized; but does the Solictior General suggest that decisions of the Supreme court must be O.K.'d by the government or the Minister of Justice? The Soldier Settlement Board's conduct is subject to the approval of the minister from day to day.

Mr. DUNNING: And always was.

Mr. MEIGHEN: Always was, of course.

Mr. DUNNING: That is my point.

Mr. MEIGHEN: Who suggested anything else?

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: Did anyone ever suggest anything else? Certainly the board has always been subject to the minister.

Mr. DUNNING: Oh, oh.

Mr. MEIGHEN: Does the Minister of Railways think that he is doing himself credit by laughing foolishly?

Mr. DUNNING: Don't get angry.

Mr. MEIGHEN: Well, act like a gentleman.

Mr. DUNNING: Mr. Chairman, I rise to a point of order.

The CHAIRMAN: I must ask the right hon. gentleman to leave personalities out of the discussion.

Mr. MEIGHEN: I will discuss the matter if the minister will let me.

Mr. DUNNING: The right hon. gentleman told me not to lose my temper. He is losing his now.

Mr. MEIGHEN: It never was suggested by me in any sense that there is any difference whatever between the relationship of the board to the minister now and as it existed under my regime. I have never said anything of the kind. What I do say is that if this legislation goes through, then the minister, acting through the board, has a power which no government should ask for and which the former government never asked for in relation to the original act. And that power, I say, is this: the minister can take the whole amount of the value if necessary, or any part of it, and distribute it at will among all the returned soldiers on the land. The minister shakes his head. Well I invite him to get on his feet now and dispute the argument I am making. Here is a parcel of land bought from the board on which a man owes $5,000: the minister has it in his power to reduce that $5,000 to $5, has he not?

Mr. FORKE: Would it not be better for the leader of the opposition to speak of the superintendent, keeping in mind the fact that he is appointed by the minister? The right hon. gentleman speaks as though the minister acted directly. He does not do anything directly.

Mr. MEIGHEN: Very well; he does it through a board which acts for him, this I have made clear. But that board is subject to dismissal at any time if it does not act as the minister desires. Surely then it is not too much to say that it is all in the power of the minister.

Mr. CAHAN: And the remuneration too depends on the minister.

Mr. MEIGHEN: Yes, as under the former government.

Mr. DUNNING: Exactly.

Mr. MEIGHEN: But no former government ever had the power to distribute the funds of the treasury in this way. There was no way in which the funds of the treasury could be used by the board to the advantage of a party. The point I am making is this: When a man owes $5,000 this legislation, if it goes through, will give the minister power to reduce that $5,000 to $5. Will the Minister of the Interior (Mr. Stewart) dispute that assertion? If he disputes it I will take his argument seriously. I will not take that of the Minister of Railways.

Mr. STEWART (Edmonton): I want you to make your speech.

Mr. MEIGHEN: I knew the Minister of the Interior would not dispute it; I am quite confident the present minister does not purpose so reducing. I said so before. But I do not know that the Minister of the Interior may not become Minister of Railways, and the Minister of Railways become Minister of the Interior. The minister, I say, if the bill goes through, will have the power to reduce that $5,000 to nothing, and absolutely without appeal on the part of anybody. That is indisputable. And that, I say, is wrong. It does not matter whether or not we concede the government to be composed of saints and nothing but saints. No government should ask such a power from parliament; parliament should not give such a power to any government. That is all I argued before. Am I going very far in this contention? Am I casting aspersions on anybody? Surely parliament should adopt certain principles in enacting legislation. We abandon every principle of restraint, in fact we abdicate the whole

function of parliament, if we place a power like that in the hands of any government. This was the argument I made before. The former act was not open to the same charge; it was not vulnerable in this respect, although I admit that the board at that time was just as much the agent of the minister of the day as the board will be now. I admit further that so far this is the same board as we appointed—not the board which acted under me but under my successor, Sir James Lougheed.

Mr. CANNON: Is that the reason the right hon. gentleman has no confidence in it?

Mr. MEIGHEN: I am not saying that I have no confidence in the board. I am saying that it is wrong to ask parliament to give to the minister such power as it is proposed in this legislation to delegate to him. It is immaterial what confidence we have or have not in the board. The minister may change and the board along with the minister, or the minister's successor may change the board. But whether there be any change or not, the fact is that the thing is wrong in principle. That is my argument and in it I submit myself to the judgment of the House.

Mr. NEILL: I rise not to take any partisan view of the situation but to express my gratification at seeing the measure introduced. I note with interest the considerable and sudden change that has come over the House in regard to this matter. It was only last year that I was one of a small minority—and some years ago I was one of a still smaller minority—that contended for the principle we are now seeking to adopt.

Mr. FORKE: You had lots of support.

Mr. NEILL: Last year.

Mr. BROWN: And in former years.

Mr. NEILL: I can recall the occasion when a report was brought down recommending that this matter be dealt with by remitting the interest for a number of years, and a somewhat vague and glittering hope was held out that at the end of twenty-five years there should be a revaluation. That was a report by a committee of this House. It did not receive much support. Other members among them—the then member for Strathcona, Mr. Warner, advocated strongly, and the right hon. leader of the opposition took much the same view—contended that there should be a flat reduction all around, that it was not fair to discriminate against those who had left the land, and so on, and that if there was any reduction it should be a percentage reduction, and he was openly against the principle of revaluation. I recall very clearly the efforts made by the hon. member for Dauphin (Mr. Ward) and the then hon. member for Selkirk, Mr. Bancroft, and myself, to impress on the present Minister of Finance (Mr. Robb) the urgency of enacting a measure of individual revaluation, and Hansard will show that after a long and weary debate near the end of the session the minister, presumably on the principle of getting rid of the importunate widow—or rather widows—said, "Well, if you will pass this bill,"—that was the bill dealing with the reduction in the valuation of stock—"I will guarantee an investigation into the three individual districts you have mentioned." On that basis the bill passed. The minister, I understand, did carry out that investigation, at least he did so far as my district is concerned, and I have no doubt that the report from the district of Dauphin and that from my own district probably had a great deal to do in changing the opinion of the government as evidenced by their bringing down this measure.

Now, the right hon. leader of the opposition in his opening remarks dealt with the immense size of this soldier settlement scheme, and also with its emergent character, and with the very few cases of what might be called absolute malfeasance in connection with it. In all that I can agree with him, considering the circumstances at that time, the insistent demand by everybody that the government act at once, and that the plan was something new. I think considerable credit is to be given the late government for the small number of actual cases of graft that occurred in the buying of land. Nevertheless graft did occur. There was another class of valuators almost more dangerous than the grafter class—the fool. You can tie up a grafter to be honest but there is no saying what a fool will do. Also, I would remind the right hon. gentleman that while these cases were few, nevertheless where they did occur they were very acute, which increases the necessity of dealing with them.

I should like to give a few illustrations of cases that occurred in the district of Comox-Alberni, contained in a report by a government investigator. He found that the valuations of one appraiser, who did a large portion of the work, of what constituted improved land varied to the extent of $175 an acre. That is, on a farm here he would value the improved land at $200 an acre, and on another farm of similar quality he would value the improved land at $370 an acre. Two farms of the same class he valued at $125 and

$225 an acre respectively. Some improved land was bought at $300 an acre and the next place, just as good, was bought at $200 an acre. The inspector gives a list of fourteen typical cases comparing the appraised value and the vendor's price—and the vendor in those days always asked enough. It is on record that the board again and again compelled a reduction of the vendor's price. Here is a comparison of the vendor's price and the appraiser's price. The man who wanted to sell his land was satisfied to ask $5,500, but the government appraiser valued it at $10,782; and so on down the line. Of the total of fourteen cases the vendors—who were demanding the top-going price and in most cases were ready to take less—asked $59,600, but the government appraiser valued the properties at $96,310—very nearly 100 per cent above what the vendors at the peak of the market were willing to take.

Mr. MEIGHEN: In those cases was the valuation paid, notwithstanding the fact that the vendors were willing to sell for less?

Mr. NEILL: Surely not, but I have not got those facts. This is an illustration of the man's incompetence, that he valued this land at almost 100 per cent more than the vendors were willing to take. I think in some cases the board at Ottawa intervened, but in several of these instances the land was actually purchased at his valuation. I do not suggest that this man was a knave; he was simply incompetent for his position, to put it very mildly; and we can imagine the desire and the urgency for individual revaluation in cases of that description.

The right hon. leader of the opposition dealt with the constitution of the board, and although I would not go nearly as far as he did, and would not for a moment suggest what he suggested—in fact I do not see opportunities of making this a political machine or a political campaign fund—yet I can go this far with him: I can conceive an embarrassing political situation where you have a board consisting of a government official—and a government official is always supposed to be more or less willing to listen to argument put up by the member—the second man a representative of the soldiers, solely and entirely in sympathy with the soldiers' interests to get the revaluation as low as possible, and the third man a straight political appointee—I can imagine, I say, the embarrassment for the member when he is asked: Cannot you get these two friends, one a government servant and the other a political friend, to go a little easy on Bill Jones' place? For that reason I would rather agree with his suggestion that in some way there should be resort to a county court judge. But I certainly think that the county court judge, if he is to be made the arbiter, should be assisted by an agricultural expert, as I suggested before. I gave the precedent of a judge in the admiralty court, who by the way is always a man selected for having some cursory knowledge of the subject. He devotes his whole attention to such cases, and he is always assisted by one or more nautical assessors, whose opinion on the nautical aspects the judge is very much bound to follow. I think in that regard, while the county court judge would be the best man to weigh the evidence and decide on its real value, he should have associated with him someone familiar with agricultural subjects, because many of our county court judges are townsmen and know nothing about farming.

The Minister of Railways (Mr. Dunning) made some remarks of which I think the "most unkindest cut of all" was when he associated in the same sentence, in the same breath and in the same class the member for South Oxford (Mr. Sutherland) with the right hon. leader of the opposition (Mr. Meighen). When he has been longer in the House he will realize the enormous difference between those two gentlemen!

Mr. MEIGHEN: I hope my hon. friend is complimenting the hon. member for South Oxford, for I do not feel that I am entitled to the compliment myself.

Mr. NEILL: I am sorry the argument took the political bias, so to speak, that it did, because I was going to pay what I thought a deserved compliment to the leader of the opposition. I admit he went too far in talking about campaign funds, but when he got down to the latter part of his address I thought it was really constructive criticism. I have in my hand, and was ready to produce it to his confusion had he taken his usual line of entirely destructive criticism, a letter written by him, to some of the soldier settlers in my district, wherein he expressed a distinctly favourable opinion on the subject of revaluation. He ended his remarks with these words:

> Permit me to assure you that I purpose making an earnest effort to solve this problem, and it is my very sincere hope that a real solution can be found. My efforts shall be applied, whether in power or out of power, because the returned men are entitled to our first consideration at all times.

I think in the latter part of his speech he did make a genuine attempt to carry out that pledge, for which I desire to congratulate him.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock and again went into committee.

Mr. STEWART (Edmonton): We have had a pretty fair discussion of the resolution this afternoon. I think we have gathered pretty well the consensus of opinion as to how the bill should be redrafted, paying particular attention to paragraphs 5, 6 and 7. I should be very glad to have the resolution passed, and I will redraft the bill in accordance with what the general opinion of the committee seems to be as to the best method of readjustment. If I might be permitted to express my own personal opinion, it is that we should either have the readjustment as between the settler and the representative of the board, or, to shorten the process, name a committee composed preferably of the superintendent—there are two in my own province—a judge of the district court in the particular district, and a representative of the settlers, the decision of this committee to be final with respect to any adjustment. My thought—and I confess that I was more attracted by it as I listened to the discussion—is that it will be easier for the settler to attend such sittings. The judicial districts are not large, and the procedure will involve very little expense. I am hoping to save expenses to the soldier settler—who, of course, would appear for himself—as well as to the government. I am very much impressed by what the right hon. leader of the opposition said this afternoon, that the soldier settler should appear in person and present his case, and the board might very well be represented by the superintendent. What I have outlined I gather will be fairly satisfactory. Of course I shall be glad to discuss these matters with interested parties in all sections of the House, and so amend the bill as to provide for such a method of adjustment. I make that suggestion, if it is agreeable to the committee.

Mr. EVANS: I wish to say a word regarding one feature of this proposed legislation. This scheme will give some heart and courage to a good many who have been halting between two opinions, I have no doubt, for a long time. But we must also consider the case of the soldier who has been forced off his land in, say, the last two or three years, and has become discouraged and gone. His land has been taken over and some of it has been sold to new settlers comprising a number of those settled under the British government plan. I would make a plea for those who have already left their land. Our obligation to the returned man does not end when we have rescinded the contract and he is clear of the board. I believe there will be many who would be glad to go back on the land, and I cannot understand that our obligation with respect to those men has ceased. As I say, some of them have been forced off the land, their land has been sold, and I understand that in the case of those lands sold there has been an accumulation of $20,000 over the price that was paid. Now, I do not think we should make money out of the returned soldiers in that way. I make an earnest plea on behalf of those who wish to go back to the land, and I should like the minister and the government to take that point into serious consideration.

Mr. STEWART (Edmonton): I am perfectly willing to consider any matter in connection with this matter of readjustment. At the same time I wish to point out to my hon. friend that it is a very difficult thing to meet every angle of the situation. I can think of a dozen different obstacles that would arise in endeavouring to deal with the men who are now off the land and have ceased their connections with the board. However, I am perfectly willing to give the subject my best consideration.

Mr. MEIGHEN: I am entirely in agreement with the minister that it is an utter impossibility to meet all these classes of cases. It cannot be done. How, for example, could you distinguish between soldiers who lost their land entirely through their own default or through their own mismanagement and misconduct, and those who perhaps were not quite so guilty? I know that if I were minister myself I would despair of attacking the task. I do not see how it can be attacked; but I simply use the fact that the member for Rosetown (Mr. Evans) has advanced this scheme on behalf of the soldiers who have been ousted from their properties to press upon the minister this: Let him keep just as close to the judiciary as he can in the settlement of everything. Let him keep the responsibility off the government and the government's representatives. If he once gets it there he will never in the world be able to

close the door on this thing. And when he suggests that he will introduce a bill which will vary from this resolution in the direction of having a judge associated with an officer of the board, I ask him most earnestly to reconsider that too. He proposes to have a judge in association with some officer, and a veteran. Who is going to be the ruling party? Will the officer and the veteran be able to overrule the judge, or will the judge and the veteran be able to overrule the officer? He will certainly not get judges to act willingly under conditions of that kind. It is not natural that they should. Furthermore, it is not in the public interest. If you are going to bring the judges into this matter, make them responsible, but see to it that the public look to them as the responsible parties to do the fair and just thing between the veteran and the officer, and do not let the judge escape under the plea that these people had as much say in the matter as he had. I believe the public interest would be best served in that way, and I am sure if the minister will just revolve this matter in his mind for a few days he will come to the conclusion that it will be best served by centering the responsibility right on the judge. If the responsibility is there he will discharge it to the best of his capacity. It is quite true that one judge may decide upon a certain amount as the value of the land, and the decision of another judge might be at variance with that decision, and so on over the whole area. But it is equally true, no matter what tribunal is established, that another tribunal in another district will have a standard which is somewhat different. That cannot be avoided. The only way to avoid it would be to have some appellate tribunal to whom all could appeal. There are some objections to this proposition, and the difficulty may prove in the end to be unavoidable, but I hope it can be avoided. You cannot get absolute justice in all cases. The minister in his measure does not aim at absolute justice; it cannot be obtained. You are going to have scores of cases where the soldiers are dead, some of them having paid for their whole farms in full. Those men cannot be reached, but in justice their heirs are entitled to this boon the same as those on the land—probably more entitled than any of them, because they are the men who, facing the handicap of the purchase at a high price, fought the battle out and settled with their creditors in full. You cannot meet those cases. We are not aiming at any absolute justice. We are aiming at a rough method, as close to accuracy as we can get, to meet a very difficult situation that cannot be avoided, and I hope the minister will not inject into the tribunals off-side officials who are going to dissipate the responsibility and in the end very much impair the efficiency and the measure of justice that will be meted out.

Mr. STEWART (Edmonton): I have a great deal of admiration for the knowledge acquired by the officers of the Soldier Settlement Board, but I may say that there is a very practical difficulty in connection with the adjustments which take place. For example, last year I met a soldier at Stony Plain who was very much dissatisfied because he had not purchased stock to the same extent as his neighbour, who had been given back forty per cent of the purchase price; consequently this soldier, unlike his neighbour, got no readjustment. He was making good; he was one of the fortunate soldiers who were making their payments. He had been frugal and careful, but he felt that an injury had been done him. Now the human element enters into this matter very strongly. My right hon. friend has suggested—and I confess the scheme has a great deal of merit in it—that a representative of the board and the soldier get together and see if they cannot reconcile their differences, and if they can, that that adjustment be surveyed by the board. I think that is a fair description of the scheme proposed by my right hon. friend. But the human element that enters into the matter as between the soldier and the representative of the board rather puts the board, in my opinion, in a very delicate position There are so many angles to this matter that I would be inclined to think very favourably of the suggestion of my right hon. friend. It would be desirable if we could eliminate the feeling that sometimes arises. Here are two men who sit down together. Naturally their sympathies are identical; the government is going to be the payee, and perhaps too generous a settlement might be made in some cases; whereas in other cases if there is a little feeling of resentment against any particular settler, that might be exercised against him, and I fear the case as presented to the judge would not be brought quite as clearly to his attention as it would in the case of another settler. I quite understand that the judge can proceed, if he desires, and hear evidence. However, I am very willing to take the matter into consideration for the next few days, to discuss it with all those who are interested and see if we cannot arrive at some settlement that will be satisfactory to

all concerned. After all this is a matter in which every member of the House is interested, and I have no desire to force upon parliament any piece of legislation, particularly legislation of this character, in regard to which we cannot be unanimous.

Mr. BENNETT: The other evening when this resolution was called I ventured to suggest that a judicial tribunal would be more desirable to determine the questions at issue than a board of arbitration constituted as suggested by the resolution. I have thought a good deal over the matter since, and I have not changed my view as then expressed. The observations made by the minister himself a few minutes ago as to the human element entering into the matter rather inclined me to hold more strongly to my opinion than I did on the previous occasion. The very fact that the human element enters into it will induce the representative of the board on the one hand and the settler on the other to be influenced by considerations that are not solely referable to the land in question, and it is of the utmost importance that the settlers should believe that they are receiving even-handed justice in every instance with respect to matters of this kind.

I was very much struck by the observations made by one hon. member the other evening, when he said that he could not trust the judiciary. I very greatly deprecate that observation in this House, for whatever may be the views that some of us entertain as to the fitness of men to discharge judicial duties, it is of the utmost importance, in the development of the institutions of the country, that members of parliament at least should not voice that sentiment, except in the manner and form provided by the constitution of this country, namely, by asking that the high court of parliament resolve itself into a tribunal to consider the impeachment of the judge in question. It is bad business, if I might use an ordinary term, that members of this House should express an opinion of that character with respect to judges. I say that in no censorious sense, but I say it because I believe, using the language of Palmerston, that hon. members on one side are as anxious to discharge their duties as gentlemen as hon. members on the other side, and it is desirable that those who have to come before the judiciary should not have in their minds the view that members of parliament are reflecting on the integrity and ability of those who discharge judicial duties. I hope my hon. friend will not misunderstand me when I make that observation, but I felt that, as a member of the profession from which, to use the language of a celebrated statesman, the judges are recruited, I could not allow the observation to pass in silence. Under those circumstances I hope the minister—and I for one, having raised this question, am delighted to see the attitude in which he approaches it to-day—in the next few days will turn over the suggestions that have been made. I firmly believe that in the long run he will find that he will have achieved the two objects that this legislation is to effect, namely, first, justice to the settler, and second, justice to the state. On the one hand the excessive price must be diminished having regard to the salability of the property in question; on the other hand the public exchequer must be protected and the loss made as little as possible. Those are the two factors that must be kept in mind. I ask my hon. friends whether they do not believe that in the ultimate analysis we have not best protected the settler on the one hand and the exchequer on the other by leaving these matters to the determination of men who are trained in the weighing of evidence and whose duty it is from time to time to decide on matters of law and fact. I say that more particularly having regard to the seventh resolution which provides:

> That the District Arbitration committee shall forthwith forward a copy of its decision to the board and if it be found there has been a depreciation in the value of the land purchased by the settler from the board—

Observe these words.

> —not resulting from neglect or mismanagement on the part of the settler the amount of such depreciation so found shall be credited by the board as provided by resolution number four in respect of amount arrived at by agreement.

Who is going to determine whether the depreciation which is the subject matter of the award does or does not result from neglect or mismanagement on the part of the settler? Who is so well able to decide that question of neglect or mismanagement as a judge? Neglect is not easy to define; mismanagement is difficult to determine, and under these circumstances, having regard to the language used in the seventh paragraph of the resolution which is very difficult language to construe, I submit that when the minister redrafts his bill he will find that the two-fold purposes of the legislation will be best served by having these matters determined by a judicial officer, one trained and skilled in dealing with matters of this kind.

I venture to repeat to my hon. friends that the determination of values has in modern practice been left to judges of the district

courts rather than to arbitration boards. As I pointed out the other evening that has been the case with respect to rights-of-way of railways and various other matters, and if that has been the experience in dealing with matters of this kind, I feel satisfied that the suggestion made by my right hon. leader (Mr. Meighen) this afternoon as to preparing a brief will serve a useful purpose, but I personally would prefer that the settler present his case in person to the judge, knowing as we do that district courts are held in every small community in the three western provinces. They have their sittings defined, the days on which the courts are held, and the settler appears on that day in that little community. He makes his representations and the matter is dealt with. In the long run that will be found to be the most advantageous manner in which this question can be decided.

I am sure the Minister of the Interior (Mr. Stewart) is wholly innocent of any desire to utilize the machinery of these resolutions for political purposes and I listened with some delight to the observations that were made in this chamber this afternoon. But as I was listening to them I recalled the language of the Bard of Avon who said:

> How oft the sight of means to do ill deeds
> Makes ill deeds done.

And possibly the opportunity being offered, evil results might follow. That sentiment I commend to the Minister of Railways. Those of us who live in western Canada and profess the Conservative faith may have reason at times to be a little suspicious of our opponents. None of us who read the public press can fail to be impressed by what we have seen during the last week. In Alberta in which I live, for instance during the last election the machinery of the machine was so used that two of those who operated it are now resting in the penitentiary at Prince Albert under sentences for two years, and only yesterday in the courts of Alberta the oaths of 102 people established that they had voted for a candidate, but alas when the votes were counted only seventeen had so recorded their franchise! I am sure the Minister of Railways will admit that a counting machine that is capable of such an achievement does credit even to its masters. I am also satisfied that the Minister of Railways has not forgotten that when the Prime Minister of this country left this city to visit Prince Albert where he found refuge, he stopped at the capital city of Regina, and the public press records that those who called upon him upon that Sabbath day were gentlemen proficient in the handling of the machine, members of the Liquor commission and the Highways commission. I am sure the Minister of Railways under those circumstances can forgive those of us who looking back three centuries realize that great judge of human nature was correct when he said:

> How oft the sight of means to do ill deeds
> Makes ill deeds done.

I am sure it was the sight of the means that brought about what followed in Alberta in the constituencies of Peace River and Athabaska. I am sure, Mr. Chairman, you would agree with me if you had lived as long as I have in western Canada and suffered as I have suffered, defeated as I was in one instance by a small majority, and yet after spending much time and money and several months of a summer with the aid of a Pinkerton detective whom I brought from Chicago I had convincing evidence, some of which I have yet, that ballots which had been marked for me were removed from the ballot box and marked for my opponent who was returned and sat not in this House of Commons, but in the Alberta legislature. The machine reached the climax of its power in latter days. If my hon. friend the Minister of the Interior would give us his confidence, I am sure he would tell us he thinks as I do because, while he was one who did not do much in oiling the machine—

Mr. MEIGHEN: Thank heaven.

Mr. BENNETT: —he only profited under its operations. Sometimes I do not know whether he thanked heaven for it, because after he studied out what it had done he concluded that heaven had little to do with its operations. But be that as it may, some of us who live in western Canada and sit on this side of the House have been victims of the machine the Minister of Railways has described as "a dandy," whatever that may mean. I take it that it means it is efficient and effective in producing results. For instance we heard something about it in this House yesterday. The other day I rose to bring to the attention of the House something of its operations in Prince Albert and there is further evidence that in due course will be presented to this House with respect to its operations. It is for that reason that those of us who sit to the left of the Speaker sometimes feel that we owe some duty to society, some duty to those men and women who think as we think in matters political, and willing as we are to acquit men of a desire to thwart the will of the electorate, we

realize that some of them at least regard it as meritorious to be able to say that regardless of consequences they will return their candidate with a majority.

I have read English history and the history of this country with some care and it takes a long, long time sometimes to bring about a change. One of the papers in Winnipeg the other day pointed out that the machine in Saskatchewan had been operating since the days of Mr. Walter Scott, since Mr. Haultain was destroyed by its operations. It may be a long time before that machine is destroyed, before the efficiency of liquor commissions, highway commissions and telephone systems, paid for by all the people, cease to be made to work for only one political section of the people, and that the party in power. But the time always comes when the change is effected. It happened in Ontario. One of the distinguished leaders of the organization of the Liberal party in that province journeyed to Alberta in 1905—it is not necessary to name him—and in recent years found employment with the Minister of Agriculture for a season at the public expense. Afterwards he was dismissed from the public life of that province by a very aroused electorate, and if all the circumstances in relation to his participation in elections were known to the House, I do not think there would be much pride on the part of members sitting to the right of the Speaker. When my hon. friend the Solicitor General (Mr. Cannon) spoke so highly of the operations of the machine in West Middlesex yesterday, it occurred to me, having the knowledge that I have of the distinguished organizer of the Liberal party in the province of Ontario when he was in the province of Alberta, that perhaps the hon. gentleman had reference to his ability as a machine manager. I wondered if that was what he meant. Well, if it was, there is not much reason for hon. gentlemen to smile and smirk and regard such behaviour as clever. I know of course that there are men who have the idea it is clever to thwart the will of the electorate. Do my hon. friends opposite realize what happened in Alberta on the 29th October last as disclosed in a court of law? I am sure that there are gentlemen in this House who resent it, although others smile and smirk over it and regard it as something to be proud of. Sometimes even the ministers of the crown smile and smirk and consider that sort of thing clever, but I trust that no one in this House does so. I trust that this House is past that stage.

Mr. DUNNING: No insinuations.

[Mr. Bennett.]

Mr. BENNETT: If the hon. gentleman thinks the remarks applicable to his case, very well. If the cap fits, let him put it on. But the mere expression of a fact which can be seen is not an insinuation. The other night I suggested that the revaluation of soldier settlers land should be taken out of the hands of a tribunal appointed solely by the minister in order to avoid any possibility of temptation to do the things that have been done in the past. Those who have seen the operations of the Scrip commission in days gone by, when they wandered over western Canada on the eve of an election, taking advantage of the machinery of law for the purpose of depriving the public domain of much land, getting halfbreeds to sign quit claims, enabling by this means certain men whose names are known to all to become enriched; those who have seen the abuses that have taken place in connection with the administration of the homestead law and the encroachments that were made upon public rights in the matter of irrigation; those who have seen the public purse being plundered for the purpose of promoting the private fortunes of individuals—those who have witnessed all these things have indeed some cause for the suspicion that lurks in their hearts. Nor is this a vague, underfined, unreasonable feeling. It is the conviction that moved people in eastern Canada in the days that are gone to rise in their might and put a stop to the abuses which they could tolerate no longer. It is the feeling that characterized the people of the province of Ontario at the time when the Minnie M. was obliged to seek a haven of refuge in the waters of an American port. It is the feeling that provoked the people when Mr. Preston "hugged the machine" and sent the famous telegram about which we all know, and the same feeling precisely that contributed to the defeat of the administration as a result of revelations that were made in this parliament not so many years ago. It is for these reasons that we believe we can best serve the ends of democracy by lifting to a higher level the administration of a law such as this and removing the minister from the temptation to abuse the powers conferred upon him. It is the old, old tale:

> How oft the sight of means to do ill deeds
> makes ill deeds done.

The government must surely realize that there is no ulterior motive in this effort to surround the administration of the act with proper safeguards, but rather an earnest desire born of experience and suffering, of privation, yes, and deprivation of rights by reason of the manipulation of ballots and ballot boxes,

that induces us to urge at this time, as the minister himself very frankly recognizes, the necessity for ample precaution. This is a matter of very great importance and of far-reaching consequences, and one that should be removed from any possibility of maladministration.

Mr. POULIOT (Temiscouata) (Translation): Mr. Speaker, I listened with much interest to the eloquent speeceh just delivered by the hon. member for West Calgary (Mr. Bennett). Everybody has regard for his integrity, and all I have to say, in answer to his speech, is that boodlers are not to be found on this side of the House.

Mr. EVANS: Replying again to the leader of the opposition, I think the right hon. gentleman must admit, as I believe the government realizes, that this is a belated measure. Had it been brought forward three or four years ago as it should have been, it would have saved a large percentage of those who have left their lands. Many of these fellows have sacrificed all they had, some of them, indeed, having given up homesteads that they owned outright. It is all gone. They spent what money they had for seed and equipment, and in my judgment they have a claim upon the country as well as any of those who are still on the land. The door is open for a revaluation and all that is needed is to push it open a little wider. I should like to see section 2 include those who have already gone, but who can still take advantage of settlement under the revaluation scheme.

Mr. MURPHY: I want to make a few remarks which will be very brief, more for the purpose of placing myself on record with regard to this important legislation than with a view to adding anything to the discussion which has already taken place. This is a matter of vital import to a considerable portion of the constituency I represent. Probably all of the constituencies in western Canada are suffering to-day from the ill effects which have manifested themselves in connection with soldier settlement, but I believe that the condition is rather more marked in my riding than in any other. A revaluation of the lands held by returned men who purchased homes under the Soldier Settlement Act is in my opinion long overdue. Revaluation should have been made, not later than two years after the sensational drop in farm land values. I am speaking now, of course, of farm land values in western Canada, as I am not so familiar with the situation in other parts of the Dominion.

Let me make it clear at the outset that I am not in favour of the principle of state paternalism. Of late years we as a people seem to have been losing that admirable quality of sturdy independence that characterized our forefathers, that indomitable spirit which enabled them to subdue the wilderness and make Canada what she is to-day. There is a growing tendency in our country to shoulder upon the state responsibilities which should properly be borne by the individual, and if the assistance which this legislation proposes to give were intended for any other class than the returned soldiers I would be utterly opposed to it. I wish, however, to place myself on record here now as being absolutely in accord with the spirit of the legislation, for these reasons. In the first place it is an undoubted fact that in some cases unsuitable lands were chosen while other lands were given too high a valuation owing to the rascality of certain individuals who managed to have themselves placed upon the board which valued these lands. This applies particularly to that part of my constituency to which I have just referred. Lands were selected for the returned soldier which should never have been chosen. The land on which many returned soldiers were settled should never have been selected. It was not the fault of the government, nor was it the fault of the settlers themselves, it was the fault of certain individuals who, taking advantage of their knowledge of local conditions and of the desire of the soldiers to rehabilitate themselves, made them the target for their rascality.

Thirdly, I am in favour of this resolution because of the great depreciation in land values. This is true not only of the land purchased by the soldier settlers from the board, but also of all land in western Canada, and I am sure my Progressive friends will bear me out in this respect. I would say that there has been as great a drop in the value of farm lands generally as there has been in the value of land owned by soldier settlers.

On account of the difficulties encountered by soldier settlers and others, the situation of some municipalities in the west is critical, because a considerable area of wild land was taken up for the purpose of soldier settlement. Consequently the municipalities were put to great expense in constructing roads and establishing schools, and when many of these soldier settlers were forced to abandon their holdings the lands reverted to the crown, and became non-taxable, and the resultant loss of revenue seriously embarrassed the

municipal authorities. The Union of Municipalities in Manitoba have endorsed this resolution, as they have passed similar resolutions, and I believe have forwarded them to the Dominion government. It has also been endorsed by the provincial legislatures of the three western provinces.

The men who took up the land under the soldier settlement scheme have in most cases done their utmost to make the proposition a success. They have carried on year after year in the hope that times would improve, but unfortunately they have become worse. I know the conditions in the district of which I am speaking, for I have the honour to be a director of the Red Cross Society, which has done considerable relief work in the district, and in many cases the people are in a pitiable condition. Some men have abandoned their homes, others are still hanging on hoping for a return of better times. It is for those people I am pleading, although I would gather that the feeling of the House is such that no further pleading is necessary at the present time. I believe we are all agreed that a revaluation should take place.

In this connection I may say that only last week I received a petition signed by soldier settlers and also by some of the most representative farmers in the district saying that these lands should be revalued. I should like to give the House certain clauses of this petition:

That certain returned soldiers purchased farm land from the Soldier Settlement Board at a time when the value of the said land was inflated and out of all proportion to the actual value thereof.

That the said scheme was introduced with the object of aiding the returned soldiers.

That after endeavouring to farm the said land for over five years the said settlers have become discouraged and can see no way in which they can carry the heavy burden placed upon them as the a result of said purchase.

That it appears that a great number of those who still remain on the said land are becoming deeper involved financially and the only reason they do not leave the land is on account of the fact that all their savings are invested in the said land, stock and equipment.

Here is a paragraph to which I would direct the particular attention of the government:

That certain supervisors of the said Soldier Settlement Board have often informed numerous settlers that the government would be only too pleased to see them quit the farms owing to the arrears in their payments, and owing to the fact that a sale could easily be effected at a greatly reduced price to new settlers from England.

That great injustice would be done if the soldier settlers were forced off the said land after putting in their savings and so many years of labour.

That it appears that the said settlers still remaining on the laid have farmed the same in a good and husband like manner and it appears the only solution is to have a revaluation of the said land for the purpose of attaining the object of the said scheme.

[Mr. Murphy.]

Mr. STEWART (Edmonton): I did not hear my friend distinctly. Does he state that supervisors are forcing people off the land?

Mr. MURPHY: I am simply reading the clauses of a petition which I received, and which I believe the minister himself now has in his possession.

Mr. STEWART (Edmonton): Who signed the petition?

Mr. MURPHY: It is signed by certain settlers in this district, and was forwarded to me to hand to the government.

Mr. STEWART (Edmonton): Where do they live?

Mr. MURPHY: I received the petition from Gladstone, which is in the constituency of Neepawa, Manitoba. I think the minister will find the petition in his office, because I forwarded it to the Prime Minister, and have a letter from him to-day saying he had sent it on to the Minister of the Interior. The hon. member for Selkirk (Mr. Hannesson) this afternoon, if I heard him correctly, voiced the opinion that some consideration should be given to these men who have abandoned their land, and I believe the hon. member for Rosetown (Mr. Evans) this evening made the same plea. While I recognize the difficulties of putting such a scheme into effect, I should like to also add my voice in support of that view. I think possibly the result would be achieved as well if the government would sell these lands to the returned soldiers who have abandoned them at the same price as would be available to immigrants under the land settlement scheme. I do not know why that result cannot be accomplished. Many of those men are off the land to-day after spending four or five years of hard labour on the part of themselves and of their families, simply because they have been starved out. That applies particularly to the district of which I am speaking. The conditions, I know, are purely local and do not apply generally all over the west. It was not the fault of the government or of the settler. It was more or less the result of settling these people on lands which require drainage. During the last two or three years the ditches which drain these lands became clogged, thus flooding the land in the spring, which prevented the settler from putting in any crop. I do plead with the government to give these people some consideration, for they have worked very, very hard to make homes for their families.

I have one or two criticisms to offer with regard to the bill itself. Clause 4 provides:

That if the board and settler agree upon the amount of depreciation in value of the said land,—

And so on. The hon. member for Selkirk (Mr. Hannesson) told the House this afternoon what I tell the House to-night in reading this petition, that there is not that sympathy between the board and the returned soldier that should exist. These returned soldiers, whether rightly or wrongly, have the impression that the board would be only too pleased to see them leave their lands in order that they might be sold to incoming settlers.

Mr. STEWART (Edmonton): Surely the hon. gentleman does not make that assertion of his own knowledge, does he? I do not think that is fair to the supervisors and field men in the employ of the board. There may be odd cases where there have been disagreements, but so far as I can ascertain, it is the last resort when a man leaves his land. To say that these men are trying to put soldier settlers off the land—if my hon. friend will say that of his own knowledge I am prepared to accept it, but it is going a long way.

Mr. MURPHY: I think if the minister had followed my remarks correctly he would have seen that I did not make that assertion of my own knowledge, but I am passing it on to the minister for his consideration.

Mr. STEWART (Edmonton): But I make this assertion, that no case has ever come to my knowledge where, if there was any chance in the world for the settler to make good, he was not encouraged by the officers of the board to stay on the land. That has been my experience.

Mr. MURPHY: Does it not appear strange, or at least worthy of consideration, that the hon. member for Selkirk stated the same thing this afternoon? And he had it directly from the soldiers, with whom he has been in communication.

Mr. STEWART (Edmonton): Will the hon. member for Selkirk say the men are forced off the land?

Mr. HANNESSON: I have a number of letters from the men.

Mr. STEWART (Edmonton): The hon. gentleman lives in a soldier settler district, does he not?

Mr. HANNESSON: I was not present when any man was put off, but I know that notices were served on men who were trying to pay and who had constructed improvements, and I told the House to-day of one instance where a man, not having seed grain, went to work, and they have taken possession of that farm. I have visited that farm myself, and the statements I referred to in the House to-day were made in the presence of Mr. Robertson, the supervisor of the district, who did not contradict any of them. I gave the names to-day of men who have been molested or threatened, off and on, for the past seven or eight years. I also informed Major Barnett, and he looked up MacKenzie's file and said that a man cannot take up a farm unless he lives on it. This man was with his brother and had a man ploughing his farm, doing the best he could, but because he could not get seed grain he did not operate last year.

Mr. STEWART (Edmonton): In that case I suppose the farm was going to go without seed.

Mr. HANNESSON: Possibly so, but last year he offered to pay $175 and 400 bushels of wheat to remain on the land, and was refused. Surely that man should be given a chance.

Mr. STEWART (Edmonton): I am sure that in most of these cases the soldier has had a pretty fair chance. There may be cases of hardship where the soldier was forced off, but I can hardly understand it. These men are soldiers themselves; they fought side by side with the settlers, and I cannot understand it.

Mr. HANNESSON: I will send the minister the correspondence I have.

Mr. STEWART (Edmonton): I am quite well aware that the soldiers complain, but on the other hand I believe we should be fair to the officers of the board. These statements are made that men are forced off the land to let new settlers in and that is a serious accusation.

9 p.m.

Mr. MURPHY: Possibly I could make it clearer if I read this clause again. This petition was received by me last week and is signed not only by returned soldiers but also by representative men living in the same district. This is what they say:

Whereas certain supervisors of the said Soldier Settlement Board have often informed numerous settlers that the government would only be too pleased to see them quit the farms owing to the arrears in their payments and owing to the fact that a sale could easily be effected at a greatly reduced price to new settlers from England.

If it will help any I will immediately communicate with these people and get affidavits and first hand information to lay before the

minister. I am aware that it is a very serious charge to make against officials of the board, and I am not making the charge. I am reading this petition, as it is my duty to do.

The other criticism I have to make will be very brief, as the matter has been already dealt with by my right hon. leader and by the hon. member for West Calgary (Mr. Bennett). That is the question of the process by which this revaluation would be arrived at. I am in hearty accord with the proposal under which a district court judge would be included in that scheme. In municipal affairs we have found that to be a very workable system. When lands are assessed by our local assessor and a ratepayer feels himself aggrieved, he first appeals to his local council, who sit as a court of revision. If an amicable adjustment cannot be arrived at between the council and the complainant, the matter is then left to the county court judge. That system has prevailed for a great many years and has proved to be very satisfactory. Surely if a county court judge can adjudicate on the assessed value of land he can just as well adjudicate on the value of a returned soldier's land.

Mr. MEIGHEN: There is one feature of the resolution which I should call to the attention of the minister. Various hon. members have referred to an odd case where the soldier paid too much for the land in the first place. One hon. member intimated that on the east shore of lake Winnipeg there were cases of the soldier paying four times the value of the land. I want to draw to the attention of the minister the fact that the draftsman who framed this resolution has not covered any such case at all, and has not provided for it.

Mr. STEWART (Edmonton): Four times as much?

Mr. MEIGHEN: If the minister will follow me carefully he will see the point. In a case where the soldier, because of a foolish or perhaps fraudulent valuation, pays too much for his land, the excess over the actual value is not provided for in this resolution; he could not get any relief if the bill is founded on this resolution. The minister will note that the resolution provides only for depreciation from the time of purchase to the time of revaluation. Let me take a single instance and it will be followed more readily. Suppose for example $20 an acre was paid for a quarter section only worth $5 an acre. This resolution provides that if there has been any depreciation in value since the time of purchase, that depreciation shall be credited to the soldier. We will presume that there has been a depreciation of 20 per cent, which would mean that the land is worth now $4 an acre. The soldier is only going to be allowed $1 an acre of what he originally paid. Does the minister follow me? The settler is allowed the depreciation only, which is $1 an acre. That is all the depreciation that has taken place, and therefore that is all he is allowed, so in the end he will be paying $19 an acre, whereas the land was only worth $5 when he bought it and has depreciated $1 since. I do not know whether I have made myself clear; if I have not it is my own fault. The point is that the minister does not provide in his resolution—and his bill, if founded on the resolution will not provide—for anything except depreciation. Excess value paid in the first place cannot be atoned for by depreciation. I will take my case in point again. If the board in the first place paid $20 an acre for land worth only $5, and the land has since depreciated 20 per cent, that land is now only worth $4. The depreciation is one dollar an acre; that is all the depreciation that has taken place; that is all, therefore, that the soldier gets credit for. So that he gets credit for one dollar an acre whereas he paid $20 therefor; he is going to pay in the end $19. That case is not covered in the resolution and the bill will have to cover it.

Mr. YOUNG (Weyburn): If the land is only worth $5 an acre and it was purchased at $20, it was purchased at an inflated value. When the land returns to its true value will there not be deflation all the way through?

Mr. MEIGHEN: No, depreciation in value is the difference between the value now and the real value when purchased.

Mr. YOUNG (Weyburn): The real value?

Mr. MEIGHEN: Yes, the real value, not the value on the basis of which the soldier settler purchased.

Mr. YOUNG (Weyburn): Why not?

Mr. MEIGHEN: Because that is what depreciation is. Depreciation is the lessened value of the land. It is the difference between the value then and the value now. That is depreciation. That is my point exactly.

Mr. EULER: Would there be any real difficulty if we took the value the land had at the outset?

Mr. MEIGHEN: That is just what the resolution does do. The resolution assumes that, but you cannot always make that assumption.

Mr. EULER: Would it not be the assumption that the value placed upon the land when it was first bought was the real value?

Mr. MEIGHEN: That is what I am saying. That is the assumption in the resolution, but in individual cases it is not the fact. Indeed, it is these individual cases that are not covered by the resolution. The depreciation, let me repeat, is the value on the day of purchase—not the price paid, but the value—less the value to-day. That difference the soldier is allowed, he is allowed no more.

Mr. EULER: What means would there be of fixing the value other than the value that was placed upon the land when the soldier bought it?

Mr. MEIGHEN: The provision could be worded so as to cover other cases as well.

Mr. STEWART (Edmonton): I think the wording of the bill will cover it.

Mr. MEIGHEN: It could, quite readily.

Mr. STEWART (Edmonton): Let me read the wording of the provision itself:

Notwithstanding anything in this act, the board is hereby empowered upon the application of a settler who has agreed to purchase any land from the board, who has not abandoned his land, whose agreement with the board has not been terminated or rescinded, and who has not repaid his indebtedness to the board, and where there has been a decrease or depreciation in the market value of such land not the result of neglect or mismanagement on the part of the settler, to make provision for the revaluation of the said land, subject to the following conditions—

And so on.

Mr. MEIGHEN: That does not cover the case. The way it should read is something like this: "Where he land is found to be worth less than the price paid." That will cover the case, but if it is worded in the way proposed in the bill it will never cover it.

Mr. STEWART (Edmonton): I may say frankly that we had in mind the fact that there were men settled on lands who had paid too much when purchasing those lands; they had bought at an inflated value.

Mr. MEIGHEN: I am sure if the draftsman will read this discussion he will word the bill properly.

Mr. BURY: May I ask the Minister of the Interior a question as to paragraph 2 of the resolution? I have no intention of speaking on the resolution, because the general sentiment of the committee seems to be that there is absolute need for revaluation, and with that I heartily agree. The only question is as to who shall be brought within the purview of the bill, and also the methods that are to be adopted in order to ensure proper revaluation. Paragraph 2 of the resolution declares:

That application for revaluation shall be considered only when made by a settler residing on and himself farming the said land,—

Now I had the idea that the purpose of the act was to draw a distinction between a soldier purchaser whose agreement had been determined either by his having paid up in full or having made default and been ejected from the land, and a man whose agreement had not yet been terminated. If that is the distinction that the government intends to make, the wording of paragraph 2 is not quite accurate, because there may be a soldier purchaser in good standing whose agreement had not been determined by rescission or by complete payment and who for some reason or other had not himself been able to be on the land but was farming it through somebody else for the time being. Would it not be advisable to define the position of the soldier settler in clearer terms, that is, a soldier settler who had purchased and whose agreement had not been determined either by payment in full or by rescission?

Mr. STEWART (Edmonton): Of course the whole object of the act is that the individual must be on the land and farming himself. The act never intended that he should release his land or that he should farm it out in some way.

Mr. BURY: That may be so, but I am assuming, although I do not know of any particular case, that there may be a soldier settler who is in possession of the land, though not himself in actual occupation. It may be he has had to go away for his health; it may be he is absent somewhere for some other reason, but he intends to go back into occupation. The wording of this particular paragraph would debar him from the benefits of the act. I think the bill ought to be so worded that one who has a current existent contract with the government should come within its purview.

Mr. STEWART (Edmonton): Of course the proposal is confined to those whose contracts are still in existence and are on the land. I do not think there will be very many cases of the kind mentioned. However, I will look into the matter.

Mr. MULLINS: There are a very large number of returned men in my constituency. They are carrying on under great difficulties, but they are holding on, hoping that there

will be revaluation. They have been so handicapped that they have not been able to make ends meet. With the experience these men have had I would much prefer to keep them on the land than to admit new settlers who have yet to acquire experience in the western country. It takes a number of years before they can get the experience necessary to carry on operations successfully. The Minister of the Interior knows, as does the Minister of Railways also, that it takes some years to become familiar with the climatic and farming conditions in the west. I am not going to occupy the time of the House unduly, but during my campaign I came across a number of these settlers who asked me to bring the matter up on the floor of the House and to apply for redress in their behalf. I would suggest that the first minister himself should take a trip into the rural parts of Manitoba instead of paying visits to Regina and Prince Albert, and thus inform himself at first hand of the actual conditions of these men and learn what is going on out in the western country. Having paid $20 an acre for some of these lands, it is absolutely impossible for these men, even in a period of ten years, to break even, in view of the present conditions and the existing ocean rates and railway rates. For the benefit of the House I have worked out a statement of the operation on a 320-acre farm in western Canada, allotting the settler a period of ten years, giving him twenty bushels to the acre and a price of $1 per bushel per year, but writing out the whole thing at the end of ten years. When that time arrives the settler has made nothing but a living unless he raises live stock and possibly poultry. If the hon. member for Brandon (Mr. Forke) takes exception to my remarks about raising nothing but wheat I am willing to put my statement, as to such a case, to which I have devoted considerable time and thought, on Hansard for his information. I suggest to the Minister of the Interior (Mr. Stewart) that he should do something towards helping the men to have live stock on the farms, to make them contented and to keep them satisfied.

As to the working of the adjustment and as to how it is to be handled, I will have to leave that to the legal fraternity, and to others who are more acquainted with the details. But from the practical standpoint of the men out in the west, I say it is impossible for them to carry on under present conditions I would strongly support a measure for a readjustment of the status of the men on the land in the western country.

[Mr. Mullins.]

Resolution reported, read the second time and concurred in. Mr. Stewart (Edmonton) thereupon moved for leave to introduce Bill No. 17, to amend The Soldier Settlement Act, 1919.

Motion agreed to and bill read the first time.

SUPPLY

DEPARTMENT OF AGRICULTURE

The House in committee of Supply, Mr. Duff in the chair.

Agriculture—Dairying, including grant of $5,000 to the National Dairy Council, $242,000.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Perhaps it would not be amiss if I should briefly review the progress of the dairy industry in Canada during the past twelve months. Probably at no time in the history of Canada have our exports of dairy products been so large since the war, or of such an acceptable nature in the markets of the world or at home. The increase in the exportable production of dairy products in Canada this year is fully forty per cent greater in value than similar exports of last year. The increase in this output has largely come from the west. Dairying has developed with extraordinary strides on the prairies within the last three or four years, but particularly last year. It is gratifying to note that not only has the output increased but the quality has also improved. This remark applies to butter, cheese and other dairy products. It will be noted that there is a slight increase in this vote. This is due to the enlargement of the grading system. Formerly some of the grading was done by provincial inspectors under an arrangement which we had with the three prairie provinces. In order to provide uniformity of inspection and uniformity of service, it has been found advisable, instead of paying the money to the provinces and having them do the grading, to take over the work ourselves and do the grading. Possibly with that explanation of the dairy industry further elaboration will follow as the result of questions by members of the committee.

Mr. MEIGHEN: I was favoured the other day with a piece of party literature sent out by the minister from the Department of Agriculture, a very laboured defence of the Australian treaty policy. The minister knows what I refer to, and he might tell me whether that document was got out at the public expense.

Mr. MOTHERWELL: It was stencilled in my department. I do not think it is campaign literature. It is a plain statement in respect

to the Australian treaty. The department gets out information of this sort, especially when new legislation is not very well understood and is perhaps misrepresented.

Mr. MEIGHEN: It was not campaign literature, the minister says, because it was plain. Is the campaign literature he issues characterized by not being plain?

Mr. MOTHERWELL: I am responsible for this.

Mr. MEIGHEN: I am not doubting that at all, because it reads very much like the minister's literature. But how does he justify spending public money on campaign literature?

Mr. MOTHERWELL: I do not consider this campaign literature.

Mr. MEIGHEN: Would the minister read it to the House, to see what hon. members think of it?

Mr. MOTHERWELL: It is really an explanation of the working out of the Australian treaty in relation to the dairy industry. It gives a recital of the prices of butter and cheese, not only this year but in former years, and points out that up to the present the Australian treaty has had no deleterious effect upon our dairy industry.

Mr. MEIGHEN: Was its object to improve the quality or the quantity of the butter, or what was it? As I read it, the object was to try to lose the government as few votes as possible over the Australian treaty.

Mr. MOTHERWELL: The object of it was to improve the information of all who should read it.

Mr. MEIGHEN: For what purpose?

Mr. MOTHERWELL: To enlighten them as to what we were doing. We like to have an enlightened electorate.

Mr. MEIGHEN: What is the object of campaign literature? Is the minister's object in issuing campaign literature to befuddle them?

Mr. MOTHERWELL: As a rule, any campaign literature I have seen from my right hon. friend is never signed. This is signed. That is the distinction.

Mr. CHAPLIN (Lincoln): Under the law, campaign literature must be signed.

Mr. MOTHERWELL: I never saw it signed by my hon. friends.

Mr. MEIGHEN: The minister seems to feel that it is all right to issue campaign literature from the department and pay for it at the public expense as long as his name appears at the top. That is one justification. The first justification is that it was plain; the next justification was that it was enlightening. It does not matter whether it is plain or enlightening; it has no objective whatever so far as the dairy industry is concerned. It was campaign literature through and through, every line of it—political party literature printed at the expense of the department. It was just the same kind of literature as the Minister of Trade and Commerce of that day, now extinct, got out in the press of Canada in large, full page advertisements costing many thousands of dollars, all at the public expense to serve the interests of the Liberal party.

Mr. MOTHERWELL: I do not know what my hon. friend is driving at. This is our regular practice with respect to any public question. I do not know how he can call it campaign literature with the name of the author in plain type at the top. Imagine some Conservative campaign literature with respect to the Australian treaty or whatever it might be issued by the leader of the opposition, the Right Hon. Arthur Meighen! You never hear of any of their campaign literature dealt with in that way.

Mr. MEIGHEN: Oh, yes.

Mr. MOTHERWELL: I have watched the campaign literature of my hon. friends and there was not a single thing on it to show who was the author. All we know is that it emanated from Toronto.

Mr. MEIGHEN: The minister did not watch anything during the last election. What he was watching mostly was what constituency he could get into in order to be safe.

Mr. MOTHERWELL: My right hon. friend had the same job and we both succeeded.

Mr. MEIGHEN: I understand the minister has succeeded in every election in his political career in getting into another constituency. I do not know whether he is going to succeed over the energetic efforts of his colleague to get rid of him. We hope he does; we hope he wins out in that heroic battle he has been conducting. I might mention to the minister that he succeeded in Athabaska too, and in Peace River, but there is an aftermath sometimes. That this is nothing but party

literature shines out of every line of it. His own signature does not affect the matter in the least; it merely indicates that he is prepared to use his signature over party literature at the public expense from his department. That conduct is conduct that certainly this House should not condone. If carried on as the minister has commenced to carry it on and as one or two of his colleagues have commenced, it means simply this, that a government in office has full access to the public treasury for its own aggrandizement.

Mr. MOTHERWELL: Is there any incorrect information in it?

Mr. MEIGHEN: We bow in adulation before the minister's sense of morality. He is quite justified in publishing campaign literature at the public expense provided that he himself believes it to be correct. I have no doubt he thinks all his campaign literature is correct, but that does not justify his putting his hand into the public treasury in order to circulate campaign literature throughout this Dominion.

Mr. BURY: I would like to ask the minister a question with regard to regrading butter. I understand the minister stated that the government was instituting arrangements for regrading butter and doing away with provincial grading. I am sorry that some of my hon. friends from the rural districts of Alberta are not in the chamber, because I am certain they would have something to say on that point. I understand that the provincial gradings of Alberta butter are an asset to the province; that by reason of the high quality of the butter of that province a certain value has attached to particular grade marks, and that if those are done away with and the identity of Alberta butter in respect of grading marks is merged in the Dominion in a universal system, Alberta butter producers will suffer loss. I would like to hear what the Minister of Agriculture has to say on that question, because certainly the farmers and butter makers of Alberta are opposed to any such move. We have built up the butter industry in that province and we propose to keep the reputation we have.

Mr. MOTHERWELL: I understand my hon. friend prefers to have provincial grading. We have introduced a national system of grading all butter and cheese that goes forward for export. The reason that this was continued under provincial jurisdiction in the three prairie provinces prior to the present was, my recollection is, because they were the only provinces that were grading prior to the federal government taking up the grading system. They have been grading for ten years or longer. When the Dominion government adopted the national grading system some three years ago it was found more convenient to carry on by a working arrangement with the three prairie provinces, paying them a certain amount of money for the service and having it performed through their graders, while we took on the work of appointing graders in the other provinces. That has worked very nicely, but yet there have been complications; sometimes by mistake they would issue provincial certificates on a federal grade, and sometimes two kinds of certificates, one provincial and one federal, have been known to go forward.

I am not so familiar with conditions in Alberta, but we have a friendly arrangement with Manitoba and Saskatchewan to take over their graders and they do the grading, except that the grading would be for us instead of for the province and instead of our handing the province the money to pay the graders we pay them ourselves. I understand that the same policy is being pursued with regard to Alberta.

Mr. BURY: Has that policy been put into operation yet? I understand not.

Mr. MOTHERWELL: No, because this season's operations are not yet under way.

Mr. BURY: Has the minister communicated with those who are interested in the butter industry of Alberta to get their opinion on that question? Because one of the largest butter men in that province has expressed himself as being distinctly opposed to the movement, and his view is that the butter producers of Alberta are all opposed to it. They lose the benefit of the grading.

Mr. MOTHERWELL: I understand from my deputy there is some opposition in Alberta to making this change, and they desire the present system to continue for another year, that is, that we shall pay for the service. We will continue it, and in that way there will be no difficulty. We owe a great deal to the three prairie provinces for assisting us in introducing this grading system, and we are desirous of working in conjunction with them. They have done a lot to help us establish it all over the Dominion and it is desired that we continue it another year.

Mr. SUTHERLAND (North Oxford): The most important feature in connection with the dairy industry during the past year has been the effect of the Australian treaty, in which I am very much interested, coming as I do

from a dairy riding. The benefits of that treaty were extended to New Zealand and there seems to be some uncertainty as to what that dominion gave us in return. Can the minister give us any information on the point?

Mr. MOTHERWELL: Does my hon. friend expect me to go fully into that question on this vote?

Mr. SUTHERLAND (North Oxford): Yes.

Mr. MOTHERWELL: I understand that we are selling New Zealand about $12 worth of goods for every dollar they sell to us.

Mr. SUTHERLAND (North Oxford): What changes have they made in their tariff?

Mr. MOTHERWELL: I am not familiar with their tariff. There was felt to be a danger that, unless something was done to equalize the trade between the two countries, Canada would lose the benefits she was enjoying in her relations with New Zealand.

Mr. HANSON: Were no concessions given to Canada in consideration for the extension of the benefits of the Australian treaty to New Zealand? Are we to understand that a big stick was held over the government and they meekly subsided?

Mr. MOTHERWELL: The Australian treaty contains a full list of the preferences and it has been discussed at least once before. Some one says it has been discussed a hundred times, but I would not go quite so far as that.

Mr. SUTHERLAND (North Oxford): The minister might tell us what New Zealand gave us in return. We have heard what Australia has done.

Mr. MOTHERWELL: I understand that the idea was to avoid the possibility of losing a large volume of trade which we had with New Zealand in newsprint and other articles. We are selling to that Dominion, as I have said, between $12 and $14 worth of goods for every dollar they sell us, and there was a danger of that relationship being disturbed and our losing that preference if we did not extend the terms of the Australian treaty to the smaller dominion. There was no big stick.

Mr. BURY: If the minister is so quick to respond to a threat from New Zealand, does he not think that the United States might be equally quick to respond to a threat from Canada?

Mr. STEWART (Leeds): Last session we had some questions on the order paper in connection with imports of cheese from New Zealand and Australia for manufacture into kraft in Canada. Correspondence was read on the subject and it appeared that there were some applications for a rebate of duty paid. The minister intimated that some regulation would be made covering the manufacture of Canadian kraft cheese and dealing with the matter of duty. What has been done in that direction?

Mr. MOTHERWELL: I understand that cheese brought into Canada for manufacture into kraft pays the duty, and a rebate is given when that product is exported. My hon. friend should ask the Minister of Finance these questions. I would not care to be understood as speaking authoritatively; I am merely giving such information as I have myself gathered from the discussions that have taken place.

Mr. STEWART (Leeds): The manufacture of kraft cheese is increasing rapidly in Canada, to our satisfaction, and I for one do not think it is fair to the Canadian producer to allow these manufacturers to import cheese for processing and for export again as a Canadian product and receive a rebate of duty. It is unfair to the home producer. The minister said last year that there would be introduced some legislation regulating the matter, but I am not aware of any such legislation having been brought down. The minister says now that some applications for a rebate have been made. Were any refunds actually made?

Mr. MOTHERWELL: We have had I think only one consignment of Australian cheese for kraft purposes. The process consists in mixing a number of grades of Canadian cheese in order to produce the proper quality for the trade, and the manufacturers require some well matured cheese, preferably our own Canadian product, about a year old, to produce the right tone. About a year ago practically our entire cheese production was shipped out, and there was none left in Canada. We were supplying cheese to a line of cafeteria establishments at Wembley owned by Lyons and Company, and we had great difficulty in getting a sufficient quantity of well matured cheese to meet that demand. The Kraft people were therefore obliged to secure some New Zealand cheese. They bought that cheese in England, but only for the reason that they could get none of the Canadian product. The manufacturers however, as I have said, prefer to use Canadian cheese so long as it is procurable.

Mr. STEWART (Leeds): Then am I right in assuming that notwithstanding the minister's promise to look into the matter and make necessary regulation, nothing has been done.

Mr. MOTHERWELL: I do not think I promised that we would bring down any regulations with regard to kraft cheese this year.

Mr. STEWART (Leeds): Hansard shows it.

Mr. MOTHERWELL: I think hon. gentlemen will agree that I have brought down my share of regulatory legislation during the past four years, and it seems to me that we have enacted about as much legislation of that description as the public will stand just now. I do believe, however, that the point is well taken. I feel the public have a right to know what kraft cheese is made of, but we have not yet seen our way clear to formulate grades for it. There is another variety known as Phoenix, made in Montreal. As a matter of fact, we have been dealing more with the standardization of containers. As a result of two conferences which we have had during the past month, attended by all parties interested, we have formulated regulations for the standardization of containers for both butter and cheese. I understand that to give us the requisite authority to make regulations in regard to kraft cheese the act will have to be amended.

Mr. STEWART (Leeds): Does not the minister agree that there should be some regulations in that respect?

Mr. MOTHERWELL: Yes, and I think my officers agree with me. It is just a question of how fast we should go. I have met with a good deal of criticism by some hon. members with respect to what they term the multiplicity of regulations, but not from those who know most about the matter; for instance, I have never been criticized adversely by the hon. member for Victoria (Mr. Tolmie) or by my hon. friend from Leeds (Mr. Stewart). Besides, if we go too fast, instead of having public sentiment behind us a feeling develops that we are meddling with business. I quite agree there should be some control and classification of kraft cheese and other similar products.

Mr. STEWART (Leeds): I think we all agree that the minister has not gone too fast in this case.

Mr. MOTHERWELL: Thank you, I am glad to get that tribute.

Mr. EDWARDS (Frontenac): Will the minister inform me when the act was passed requiring the grading of butter and cheese for export?

[Mr. H. A. Stewart.]

Mr. MOTHERWELL: It was the year before I came here, but it was not then declared law.

Mr. EDWARDS (Frontenac): Well, when was it declared law?

Mr. MOTHERWELL: I think it was in 1922 or 1923.

Mr. EDWARDS (Frontenac): Was it not April 1, 1923?

Mr. MOTHERWELL: I think so, because the first year it was voluntary.

Mr. EDWARDS (Frontenac): That was April fool in more ways than one. The act came into effect on April 1, 1923, and required the grading of butter and cheese for export and the stamping of the grade on the commodity so exported. Why was it that that legislation was not put into effect in 1923? Graded cheese to the amount of 110,000,000 pounds was exported after the act was passed and supposed to be in effect, without the grade being stamped on a single box. As a matter of fact, all through 1923 not a pound of butter or cheese exported was stamped with the grade which had been given to it by the officials appointed by the government to do the work. Why was that? The hon. minister says that we cannot go faster than public opinion. Surely we have the right to assume that public opinion was crystallized in this legislation which required certain things to be done, yet although it was enacted, as announced by the government, with the intention of protecting the quality of Canadian butter and cheese in the Old Country in competition with those commodities from other countries, over a million pounds of butter and cheese was sent out of this country unstamped in absolute violation of the law. I am not relying on hearsay in making this statement, because I hold in my hand a series of questions which were placed upon the order paper last session, and which were answered, I presume, by the minister himself as head of the agricultural department. The first question asked was:

When did federal grading of butter and cheese for export come into effect?

This is the answer:

Federal grading under the Dairy Products Act, came into force on April 1, 1923.

This is the next question:

Whether any cheese has been exported to Great Britain since federal grading went into effect without the grade being clearly indicated? If so, when and in what quantity?

The answer is:

1923, 110,513,200 pounds of cheese were graded and exported.

This was in direct violation of the act sponsored by the government, which came into effect on April 1, 1923. The failure on the part of the government to put the act into effect was most unfair to our factory men, especially to those who are most interested in the export cheese trade, namely, the people of eastern Ontario and western Quebec, because thousands of dollars were unfairly taken out of the pockets of our factory men and cheesemakers in those sections. I should like to know from the minister why this act was not put into operation immediately it became law. I have a list of about twenty graders appointed by the government, drawing salaries of $2,500 and upwards. The minister himself in answer to the questions put last session stated that in 1923 and 1924 cheese was graded by the salaried graders, but there was absolutely no protection to the cheese producers of eastern Ontario and western Quebec because the grade was not stamped on the commodity exported in 1923 as the act specified it should be. Then this might very well have been the result. The exporter sends his man into the warehouse to look over some cheese, some of which he tests and finds graded as No. 2, but which according to his taste is very close to No. 1, and in his opinion can be passed as No. 1. So he buys it at No. 2 price and it is sent over to the Old Country and sold at the No. 1 price simply because the exporter was not required to stamp the grade. That is what was done, Mr. Chairman, and the money came directly out of the pockets of the people. That was not kraft cheese, but an hon. gentleman suggests it is graft cheese. At all events, it seems to me that it requires an explanation from the minister. The minister says we must not act too fast in these things, but he did not go any too fast; he did not work any spavins or ringbones on himself by the speed he developed in putting that act into force, on his own admission

Mr. MOTHERWELL: I am afraid my hon. friend has rather prejudged the situation. It is quite a regular thing to put through a piece of legislation one year and not proclaim it until possibly a year or two afterwards. This was new legislation, passed by my predecessor. I desire to give the hon. member for Victoria (Mr. Tolmie) credit for putting this bill through in 1921, I think it was. Here is a section which says:

This act shall come into operation on a day to be fixed by proclamation of the Governor in Council.

Mr. EDWARDS (Frontenac): What does the minister mean by saying the act came into force on April 1, 1923?

Mr. MOTHERWELL: If the hon. gentleman will sit down and let me get through, I am trying to make the explanation.

Mr. EDWARDS (Frontenac): Does the minister object to being asked a question?

Mr. MOTHERWELL: No, but what is the use of bobbing around like that?

Mr. EDWARDS (Frontenac): I do not know that I am doing any bobbing around; I think the minister is the one doing the bobbing just now.

Mr. MOTHERWELL: When unnecessarily interrupted by my hon. friend, Mr. Chairman, I was endeavouring to explain that it is quite a regular thing to let an act stay on the books for a year or more, until the people become familiar with it. I was making them familiar with some parts of the Australian treaty, where apparently the enlightenment was required, as in this case. This act was proclaimed on April 1, 1923. It was not done in 1922—I will tell hon. members the reason for that also—because there was a great deal of opposition to it. The hon. member for Victoria knew of that opposition; he had hard work in getting that bill through the House, with such peculiar interruptions and cantankerous questions as we have been having to-night. I have no doubt my hon. friend had the same difficulty, because he was blazing the trail and starting this good work. During the season of 1922 we did do some voluntary grading of both butter and cheese at Montreal, and I think elsewhere, although I do not recollect at the moment. I know we did some work with those who were ready to take advantage of this service. After we had the great mass of dairymen with us voluntarily, and after hearing from a number of the opponents of this movement,—whom we found generally around Brockville and Belleville—splendid dairy districts, too, but opposed to this grading system for reasons which I do not need to enter into—in the spring of 1923 we had the work so advanced that we then had a fair chance of making it applicable to the whole country, which we did as soon as possible. Following that, I do not know what my hon. friend (Mr. Edwards) means when he says there was no grading after April 1923. We have no information to that effect; I have never heard of it before. Now I am ready for that other question.

Mr. EDWARDS (Frontenac): The minister has clearly indicated that he is some bobber himself. He bobbed all over the year 1921; then he bobbed around the year 1922, and finally he bobbed along until he came to April 1, 1923, when he says the act came into force.

Mr. MOTHERWELL: What is the complaint?

Mr. EDWARDS (Frontenac): I will state my complaint again, and I hope this time the minister will get it clearly into his head. According to the minister's own statement, the act in regard to establishing the grades of cheese and butter to be exported from Canada came into force on the first of April, 1923. Notwithstanding that act, none of the cheese and butter exported in 1923 had the grade stamped upon it.

10 p.m.

Mr. MOTHERWELL: Where—

Mr. EDWARDS (Frontenac): Where is my authority? My authority is the answer given by the minister to a question placed on the order paper last session.

Mr. MOTHERWELL: What does it say regarding that?

Mr. EDWARDS (Frontenac): I will read it again; I have already read it once. This is sessional paper No. 159 from the Department of the Secretary of State, a return to an order of the House of Commons dated 30th March, 1925, for a return showing—this is question No. 1:

When federal grading of butter and cheese for export came into effect.

To which the answer was:

Federal grading under the Dairy Products Act came into force on April 1, 1923.

Now in answer to the eighth question, which was as follows:

Has any cheese been exported to Great Britain since federal grading went into effect without the grade being clearly indicate? If so, when and what quantity?

The answer was that in 1923, 110,513,200 pounds of cheese graded but not stamped, were exported from this country. This amount of cheese was exported from this country without fulfilling the conditions of that act, which was placed on the statute books on the first of April, 1923, and which required the grade to be stamped on cheese and butter. That is what I am trying to get the minister to justify, if he can. If I have bobbed around at all in asking the question, the minister seems to be doing some nice acrobatic work in trying to avoid answering it. I have asked the question twice; will the minister try some more acrobatics and see what he can do in getting around a plain answer to a plain question? I am asking the minister why this act was not made effective.

Mr. MOTHERWELL: My recollection of it, Mr. Chairman, is that there were still a number of people who preferred to have their own brands on the boxes of their cheese, rather than anything the government at that time was prepared to put on. They were opposed to it, and the grade was put on the bill of lading instead of on the cheese. That was a compromise which was made. It is a matter of opinion just how we should deal with these questions, and that was the situation. It was graded; I want to assure my hon. friend that it was all graded.

Mr. EDWARDS (Frontenac): It was graded, but the grading was not made effective at all, because the act was not carried into effect. Now we have the explanation; the minister says this government puts an act upon the statute books requiring the people to do thus and so, but some people do not like to do what that act requires, so the government let them do as they like. It does not make any difference what the act says; if they object or if they prefer not to comply with the statute, the minister says it is a very difficult matter to deal with those people, and so the act is not enforced. That is the explanation. It may satisfy the minister, but if that is not an indication of some very lively bobbing, I have never seen any in this House.

Mr. MOTHERWELL: I do not want my hon. friend to feel that there has been anything withheld from him. It is the experience of every man who has had anything to do with administering new legislation that for the first year it is the part of wisdom to not be too exacting in the carrying out of details. Everyone knows that. If my hon. friend does not know it, he will find it out from now on. As a matter of fact we did not place the act on the statute book; it was placed there by my hon. friend's own party and they deserve the credit for it. I am sorry my hon. friend has taken up the time of the committee in discussing pernickety, minor questions as to why we did not carry out the act from the first year it was introduced. I do not think any law, especially one that is entirely new, has ever been carried out in its minutest detail the first year it has been put into effect. Notwithstanding what my hon. friend has

said, the cheese put on the market is graded and everything is now running along smoothly. My hon. friend is just two years behind the times in making his complaint.

Mr. EDWARDS (Frontenac): I am not two years behind the times. I made the complaint just as soon as I was in a position to do so from the floor of this House, and I am perfectly within my rights in acting as I have done. The answer of the minister is no answer at all. According to his own statement the public had ample information that this was going to be done, and those of us who have followed the course of the dairy industry in this country know that to be a fact. I may go so far as to say to my hon. friend that when I was a member of this House, previous to 1921, I supported this very sort of legislation, believing it would be effective in keeping up the standard and quality of Canadian cheese and Canadian butter. I thought that Alberta had done a wise thing in passing legislation to regulate the production of butter in the province, and that this legislation had raised the standard of Alberta butter to a much higher point than it had attained in many other provinces. I believe that still. I support this legislation, and I say that the people had ample opportunity to consider the whole question of grading. When the butter and cheese were graded and the factory shipped its cheese to Montreal it had no recourse but to accept the grade given to its cheese by the graders. There was no appeal on any ground at all, the grade had to be accepted. The cheesemakers of a certain factory might consider they had produced No. 1 cheese, but if that cheese on being sent to Montreal was graded as No. 2 they had to accept the grade; there was no appeal from it, consequently many of them lost considerable money. I say in all fairness to the cheese producers that if their cheese and butter was graded, that grade should have been stamped upon the cheese that was exported, as the act presumed it would be. The act was to become operative on the 1st of April, 1923. It did not, however, go into force then, although it should have done so. As a matter of fact none of the cheese exported from this country that year stamped with the required grade. I think it was very unfair to the cheese producers of Canada that that grading was not carried out in accordance with the provisions of the act. As for half a dozen years being necessary to enforce an act, that is absolute nonsense, and nothing else. The act was in existence and the public had ample warning with respect to it. The legislation had been discussed by cheese boards and dairy associations from one end of the country to the other, and these organizations were perfectly aware of what was contemplated. They had considered it, they had approved of it, and had submitted many resolutions for their own protection. The cheesemaker who produced a first-class article had a right to be protected and felt that he was going to be protected by the act. The act did grant him protection, but it was not put into operation as it should have been. That is why I make this complaint to-night and I think the complaint is justified. The minister may take a different view, in which case, we will have to agree to differ. There is a lot of money involved in the cheese business; it means a good deal to eastern Ontario and western Quebec particularly. We have built up a reputation for the excellent quality of our cheese through the high degree of skill which our makers possess, and in that regard Canada has taken a very high place. One man in my county secured first place in competition with the world at the royal show in the Old Country in 1923. Another man secured the third prize the same year. In 1924 the man who had obtained the third prize the previous year won the first prize, and in 1925 the producer who gained first prize in 1923 won the first prize once more. I have the figures here to show that the reputation which those men obtained for Canadian cheese at that particular show meant a gain of thousands of dollars to the shippers of the Canadian product. This is a matter of very great importance to my county. Due to the fact that many first-class cheesemakers did not get a square deal under this act as they should have done in 1923, several of the most expert went out of business entirely after suffering losses which I maintain they would not have encountered had the temptation not been open to exporters to take advantage of the grading that was done in Montreal and to ship out cheese under grades to suit themselves.

Mr. MOTHERWELL: I want to express my appreciation at finding such an ardent advocate of the grading system. During the last four years I have had to fight the battle for this system almost entirely alone. I am assuming that my hon. friend has always been in favour of it. There are, however, a great many people who are never heard from when a system is first introduced but who come forward and endorse it when it proves to be a success.

Mr. EDWARDS (Frontenac): I advocated it long before the minister was in this House.

Mr. MOTHERWELL: It was my hon. friend's own party that passed the act. Why did they not put it in force? In the act as passed by the hon. gentleman's friends it was provided that before the law came into force it should be proclaimed by order in council. This shows that those responsible for the act knew what they were doing and that the time to make the law effective was a matter for discretion. I am sure the hon. gentleman will be glad to know that of the cheese graded in 1923, 77.06 graded No. 1. That was pretty good to start with. In 1924, showing the stimulus given by the grading system, 84.38 of the cheese graded No. 1. In 1925 the stimulus was still more apparent, because 85.60 graded No. 1. I should not be disputing with my hon. friend as to why the act was not enforced. Apparently in the first place there was doubt as to the desirability of grading, and in the second place the effect the grading as introduced would have upon the quality was unknown.

Mr. SUTHERLAND (North Oxford): Provision is made for a grant of $5,000 to the National Dairy Council. I would ask the minister if he has had any representations as a result of the meeting of the National Dairy Council held in Quebec last fall or this winter with reference to the Australian treaty. As I understand it, the National Dairy Council is a sort of parent institution which fathers all the provincial dairy associations. Such being the case I think its representations should have due weight with the minister. My information is that the dairy council did make some representations finding a good deal of fault with the Australian treaty. A number of other dairy associations I believe, in British Columbia, Saskatchewan and Alberta, have also made representations along the same line. Furthermore, I should like to ask the minister a question in view of the fact that in the first three months of the present year no less than four million pounds of butter entered Canada from New Zealand and Australia. When he considers that in the whole of the calendar year 1925 less than 70,000 pounds came in, I would like to get his opinion as to what effect that is having on the dairy industry. I should also be glad if the minister would take this opportunity to give us his own idea as to just what the effect of the treaty has been, since it has been in force, and what will the general effect be upon the dairy industry.

[Mr. Motherwell.]

Mr. MOTHERWELL: The National Dairy Council is not very much enamoured of those provisions of the Australian treaty that reduced the duty on New Zealand and Australian butter by two cents and three cents respectively, and they have so expressed themselves. The dairy association of Canada have so expressed themselves, but the Maritimes have not expressed themselves one way or the other. Out on the prairies, where we do not look for very much agitation on behalf of protection, there developed quite an agitation against that phase of the Australian treaty. I had the pleasure of meeting members of the dairy council here in Ottawa after their meeting at Quebec city, and they made a very fair representation in regard to their case. I asked them if they did not think it would be fair, before pronouncing judgment, to give this system a year's trial to see how it would work out. That was a month ago. I think my hon. friend knows that if it never works out any worse than it has this year we would hope the treaty would remain in force forever so far as the effect on the dairy industry is concerned. Under the provisions of the treaty we have had the magnificent amount of three cheeses coming in. So far as cheese is concerned we can leave it out. I do not think any eggs have come in, so that we can leave that item out as well, too. With regard to butter, in spite of the fact that it is coming in under a two-cent tariff reduction from New Zealand and a three-cent tariff reduction except where the dumping clause is applied automatically, from Australia, ever since it started to come in the price of butter has persistently gone up, week after week and month after month, until it has reached the price of 47½ cents retail, and has been sold to consumers in almost every market in Canada for over 50 cents a pound. I think the reason was that there was such an unusual shortage in Canada that it was not possible to get Australian or New Zealand butter rapidly enough to fill the vacuum or depress the prices. The result has been that the shortage continued all winter and prices kept stiffening up all the time. From 43½ cents it went up to 47½ cents to the retailer. That is the highest point it reached, and the price to the consumer was 52 cents. Consequently the price of butter has been so high that, in spite of the reduction in duty an agitation has sprung up for the restoration of oleomargarine as a substitute. That is no dream. The National Council of Women in this city about a week ago so expressed themselves. The price is beginning to come down, not because of the Australian or New

Zealand butter coming in, because that is all here or is on the way here, but our natural production, which usually occurs about this time of the year, has been coming in, and the prices have been dropping until now they are about what they were at the beginning of January. The shortage of butter was so great that it could not be supplied quickly enough to keep the price from going up, and it went up steadily till about ten days ago.

I do not know that we can take this as a criterion as to how it will affect the trade another year. One thing is sure, that if we enter another winter with the same shortage and the same conditions we will have the same prices. There is not sufficient storage space at Vancouver to keep the butter and supply it quickly enough to take care of the vacuum. On the other hand, if we do not ship short then we will have sufficient butter ourselves, and there will be no attraction for New Zealand or Australian butter. Australian and New Zealand butter did not displace one pound of Canadian butter. It was not here. The farmers and dairymen had sold it under the attractive prices of last summer and had the money in their pockets, and we had to turn around and buy from Australia and New Zealand.

Mr. EDWARDS (Frontenac): Does the minister say we had no reserves of butter?

Mr. MOTHERWELL: We had not so many reserves. We had about 12,000,000 pounds less than the year before or 6,000,000 pounds less than the average of the last five years.

Mr. EDWARDS (Frontenac): But we had several millions in reserve?

Mr. MOTHERWELL: Yes, but we were 12,000,000 pounds short of the previous year's supply. That 12,000,000 pounds could not come across the Pacific in the four months, because there was not sufficient cold storage to take care of it. The Pacific route had storage room for 8,000,000 pounds and that left a shortage until our own production came and took care of it, and the prices went down. The prices will very soon be down to an export basis. All through the winter, while the Australian butter was coming here, it was ten cents above export prices. As long as our butter is selling ten cents higher than the world price there can be no very great grievance, and we should be willing to try this treaty out in a normal year, when we enter the winter with a normal supply on hand.

Mr. SUTHERLAND (North Oxford): Four million pounds of butter from Australia and New Zealand came in early this year, and the minister says that the price is the highest that it has been for many winters. That is probably true, but we must remember that it is the butter produced by the Australian and New Zealand farmers that is being sold at the high price. The Canadian farmer should be getting that price. I contend that when this legislation was put through in June of last year it discouraged the farmers, and they curtailed their production during last summer, in preparation for this winter's output, because they knew that in all prabability the Australian and New Zealand butter would come in. The Australian and New Zealand butter has come in. If our people had had their butter ready to sell at the high price, the Australian and New Zealand butter would have come in in any case, and they would not necessarily have got the high price which means so much profit to them. The Australian and New Zealand butter would have come in and would have been sold at a less price than the Canadian article, even if our butter had been on the market. I maintain it is the threat of that Australian and New Zealand butter coming in that is affecting the dairy industry and will continue to affect it. The minister also said that if the conditions so far were any criterion, he hoped the Australian and New Zealand treaty would continue forever. I do not think the dairy industry in this country will back him up in that statement. I think it has already given them a severe shock and the very threat of that product coming in when the price goes up is bound to have a deleterious effect on the industry.

Mr. MOTHERWELL: As regards the production this year we have it as being forty per cent higher than that of last year. Even in the winter this year the production was greater than that of last winter, and as regards any production we have in the winter the farmers reap the benefit of the higher price.

Mr. SUTHERLAND (North Oxford): Not for the 4,000,000 pounds that came in from Australia and New Zealand.

Mr. MOTHERWELL: What else could we have done? The farmers could not produce butter by flashlight. There are ways of making artificial butter, but there is only one way of making the real thing and the real thing was not here to eat or to sell. I believe our supply or stock on hand fell short by about 12,000,000 pounds of what it was a year ago; that quantity was not in sight and people had either to eat their bread dry or to get butter from somewhere. We brought it in from the logical place where we could get the best

butter at the lowest price, and that was New Zealand and Australia. I am really astonished at people complaining that we got good butter at a cheaper price while at the same time our farmers were getting a higher price for butter than they had since the end of the war. Next year—and we expect to be here for several years yet—my hon. friend may have the argument on the statistics but we shall have to wait until that time. In the meantime all the figures are against my hon. friend's contention. The price on March 19 for first grade Australian butter at London prices converted into Canadian currency was equivalent to 36⅛ cents.

Mr. BENNETT: That is the London price?

Mr. MOTHERWELL: Yes.

Mr. BENNETT: What is the Vancouver price?

Mr. MOTHERWELL. The Montreal price the same day for first grade creamery butter in the wholesale jobbing houses was 47 cents, or eleven cents higher. I was giving it at ten cents higher.

Mr. CHAPLIN (Lincoln): What was it in 1923? The minister says that prices now are higher than they have been at any time since the war. I have his own circular letter, this campaign literature, showing the price in 1923. Will he just read from it?

Mr. MOTHERWELL: I gave my copy to the leader of the opposition.

Mr. CHAPLIN (Lincoln): I will read it. The price of butter was as high as 52½ cents.

Mr. MOTHERWELL: That is retail.

Mr. CHAPLIN (Lincoln): This does not say retail. It gives the prices at Montreal in the month of February and these are his own figures. The high price is 52½ cents, which is the highest price quoted in the whole list.

Mr. MOTHERWELL: The price I state has been going up all winter.

Mr. CHAPLIN (Lincoln): The price that I have reference to is published in this campaign literature, under date of 1923, not this year at all, and yet the minister says that the price now is higher than it has been at any time since the war. That statement does not agree with his printed letter.

Mr. MOTHERWELL: The hon. member is reading from the wrong scripture.

Mr. CHAPLIN (Lincoln): A few minutes ago the minister said that this treaty came into effect only in October and that no harm had been done since then, although 4,000,000 pounds have come in. That sounds very much like the campaign literature that I am going to read from now.

Mr. MOTHERWELL: That is Tory stuff.

Mr. CHAPLIN (Lincoln): No. Hon. members will recognize the photograph on the outside, that of the Prime Minister (Mr. Mackenzie King). This piece of campaign literature is published in September last. Let me read this sentence:

> No ill effects as yet have flowed from the Australian treaty.

This has the signature of the Liberal party and the photograph of the Prime Minister on it.

Mr. MOTHERWELL: We always sign ours.

Mr. CHAPLIN (Lincoln): This says:

> No ill effects as yet have flowed from the Australian treaty.

Just imagine! This was dated in September and the Australian treaty came into effect on the first of October.

Mr. MOTHERWELL: That is easily accounted for. My hon. friend does not know the effect of his own campaign regarding this treaty. My hon. friends were howling about this for months before in anticipation of it, and as a matter of fact in Alberta and British Columbia, as a result of their propaganda against it, the dairymen dropped their prices even before the treaty came into effect. When my hon. friends opposite were in power there was no complaint about Australian butter coming in. I will give the total imports of butter from Australia and New Zealand for different years. In 1911, the last year that the Liberal government of Sir Wilfrid Laurier was in power, the total imports of butter from Australia amounted in round figures to 900,000 pounds. The very first year that my hon. friends were in power the total from Australasia amounted to 2,241,000 pounds, or nearly three times as much of what they call this villainous stuff came in.

Mr. CHAPLIN (Lincoln): That is for a year. My hon. friend did better in four months.

Mr. MOTHERWELL: My hon. friend would apparently rather be eating oleomargarine which his leader wanted to impose upon this country, oleomargarine that is made from intestinal parts of animals and other things. In 1913 the jump is three times as great again; there was 6,116,000 pounds of this so-called bad stuff imported from Australasia.

Did we hear any Tories going around the country howling their heads off about that? We never heard a word about it. The people of Canada thought it was a good thing to be able to get first class butter at a low price from their sister dominion, and if it had not been for the election last fall they would have continued to think the same thing. But my hon. friends have such a propaganda factory at Toronto that they have persuaded the people it is a bad thing for them to buy this butter from their sister dominion at two cents less.

An hon. MEMBER: What was the duty at that time?

Mr. MOTHERWELL: Four and three cents. It has been that for a long time, for a quarter of a century. My hon. friend cannot divert me from giving these figures by telling us bed-time stories. In 1914, 6,959,000 pounds of this kind of dope came in from our sister dominion, or nearly twice as much as has come this year, and yet not a word was said about it. I would ask the hon. member for Lincoln what the people of this country would have done if they lacked 4,000,000 pounds of butter with which to lubricate their bread. I will wait for an answer. We entered upon the winter with a shortage of 12,000,000 pounds, and we all know that you cannot order butter from the cow overnight.

Mr. CHAPLIN (Lincoln): The minister is certainly an expert at buffoonery. He knows that there were 10,000,000 pounds of butter in storage at the time this butter was brought in from Australia. What I would not have done was to take the duty off any of our own farm products.

Mr. MOTHERWELL: That is no answer. The fact is that we had 6,000,000 pounds less than the average of the last five years.

Mr. CHAPLIN (Lincoln): And did 4,000,000 pounds that came in meet our needs? If it did, then I can tell the minister that we had several million pounds in storage.

Mr. MOTHERWELL: We were short of butter or we would not have ordered any from abroad.

Mr. CHAPLIN (Lincoln): There is another matter I want to have answered.

Mr. MOTHERWELL: I want this one settled first.

Mr. CHAPLIN (Lincoln): A few minutes ago the minister referred to the fact that there was an automatic dumping clause in effect on Australian butter. Has that dumping clause been enforced against one solitary pound of Australian or New Zealand butter that has come into Canada in the last three months?

Mr. MOTHERWELL: The answer from the department of the minister of Customs indicates that it has. The dumping clause was applied to Australian butter, as it is applied to all other butter.

Mr. CHAPLIN (Lincoln): I asked a plain question and the minister is not giving me a plain answer. I want to know whether one pound of Australian butter was subjected to the dumping clause.

Mr. MOTHERWELL: It is all subject to the dumping clause, whether from Australia or elsewhere.

Mr. STEWART (Leeds): I understood the minister to say that this butter from Australia and New Zealand did not lower the price in Canada, but on the contrary almost stimulated it.

Mr. MOTHERWELL: I did not say that.

Mr. STEWART (Leeds): Does the minister remember the telegrams read in this House from Vancouver and Victoria indicating that the first shipment of Australian butter had the effect of reducing our price by from two to four cents?

Mr. MOTHERWELL: I did not say what effect it had; I was assuming for the sake of argument that it did lower the price. I believe that the people of Vancouver, as I know was the case in Alberta, hearing so much talk about great quantities of butter coming in from Australia, lowered the price before that butter ever landed on their shores. Vancouver would be the logical place where the greatest effect would be felt from an importation of Australian butter inasmuch as it is the frontier of the antipodes. I know further that the Alberta creamery men had an arrangement with the produce dealers of Vancouver to supply them with butter at two cents below what it was at the time the treaty went into effect, provided they would patronize the Alberta creameries. They lowered the price in anticipation.

Mr. EDWARDS (Frontenac): The minister gave us to understand a while ago that there was such a shortage of butter in this country that we had either to allow Australian and New Zealand butter to come in or eat our bread unbuttered. Now he tells us that in anticipation of Australian and New Zealand butter coming in the price immediately dropped in Vancouver and elsewhere from

two to three cents per pound. On what? On the butter we did not have, for he said just now that we had no butter. According to his own statement we had a shortage. He tells us however that the price of our butter, which was non-existent, fell two, three or four cents per pound. The minister quoted figures in regard to importations covering a period going back eleven, twelve, thirteen and fourteen years, but he did not complete his statement. Perhaps he has the figures before him. I have not all the facts in my mind, but my impression is that during those years we had a shortage. Notwithstanding the statement of the minister, however, as to the present shortage in this country, I think I am right in saying that we had an exportable surplus of butter last year of between twenty-five and thirty million pounds.

Mr. MOTHERWELL: More than that; 34,000,000 pounds.

Mr. EDWARDS (Frontenac): Then what becomes of the minister's statement that the price went up because there was an absolute shortage here? The position which I take in this matter is this: there are two classes of people concerned in the sale of butter—the purchasers, whose representations have a right to be considered, and the consumers, who have an equal claim upon our consideration. That is the principle that should govern us in fixing the tariff, and I maintain that so long as Canada has an exportable surplus of 30,000,000 pounds of butter that very fact in itself should be an absolute guarantee to the consumers that they would never have to pay more than they should for the article. That is reasonable. At the same time I hold that the producers of this commodity in our own country have the first claim on our own home market. Australia and New Zealand take that view in regard to their own products. They have a high duty on butter, because they have a large exportable surplus, and they have also a considerable tariff on meats. They are one of the largest meat exporting countries in the world, and they say that inasmuch as they have more butter and cheese and meat than they know what to do with, they do not want outsiders to send those commodities into their country. They guarantee to the farmers that only Australian and New Zealand butter, meat, eggs and cheese shall be used on Australian and New Zealand tables. That, I maintain, is the proper attitude for us to take here, especially in view of this fact, which should not be lost sight of, that the dairy interests cannot be considered only in relation to the summer months, but from the standpoint of the entire year. In the course of the twelve months we have a severe winter during which the cost of production is necessarily high, and the producers of Alberta and other places in Canada where there exists a surplus of butter have a distinct grievance. At the very time in the winter months when the cost of production is at its highest in Canada, they are forced by the Australian treaty to compete with the product imported from that country, which is produced at a time when the cost of production is naturally low.

It is all very well to theorize on the subject of free trade and other questions of that sort, but we must not lose sight of the practical element. We cannot afford to forget that climatic conditions in this country are different from those that obtain in Australia and New Zealand, and owing to that difference our farmers are compelled to invest large sums of money in specially adapted barns and stables, in silos and other equipment, and to spend a good deal in providing forage and storing it for the winter, keeping their stock during that trying season at a heavy expense. It is therefore unreasonable, it is eminently unjust to expect the farmers in a country like Canada to compete on even terms with Australian and New Zealand butter and similar products by allowing those products to come into this Dominion at a very low rate of duty, or nominally free. That is the position which I take and it is the position taken by dairymen generally throughout the country. I do not believe that there was any shortage of butter such as the minister speaks of. There might be a shortage in this or that locality, but that might happen at any time; but on the whole our trade figures show, as the minister himself has admitted, that Canada did not have a shortage of butter last year. On the contrary we had a large exportable surplus of some 30,000,000 pounds and as the minister says, even more than that. My contention is that we should so arrange the tariff as to guarantee to our Canadian farmers that their produce shall have first place on Canadian tables and not the produce of countries which have a distinct advantage over us by enjoying a milder climate.

Mr. MOTHERWELL: There is not much in the moralizing of the hon. member (Mr. Edwards) to which I take exception, but he tried to make my statements appear self-contradictory. I admitted that butter-fat prices dropped in October, not only when the treaty came in but even a little before it did, owing to all the noise that was made by my hon. friends prior to the election. But the prices

went up again before the New Year as soon as it was understood that there was a shortage, and that condition continued until about two weeks ago. That is what I said, and there is nothing contradictory in it. As to our being short of butter, I did not say that; what I said was that we went into the winter with a shortage. It does not matter whether we exported 25,000,000 or 30,000,000 or 100,000,000 pounds of butter; the fact remains that so long as that butter went out of the country during the summer we did not have it in Canada. We could not sell our butter and have it at the same time. We therefore entered upon the winter with a shortage of 12,000,000 pounds as compared with last year, and that is what made butter prices go up. The great tide of Australian and New Zealand butter which had been dammed by the longshoremen's strike naturally flowed, when liberated, into the places where there was the greatest shortage, and one of those places happened to be Canada. Butter made right in this country had gone over to Great Britain, and when the shortage occurred here that butter was shipped back, paying a duty of four cents to enter the country of its origin.

Mr. CAMPBELL: Was that not due to the strike in Australia which prevented the Australian product from reaching the British market?

Mr. MOTHERWELL: The Australian butter was held back through the strike.

Mr. CAMPBELL: That was responsible for the enhanced price.

Mr. MOTHERWELL: Yes, because the Australian butter could not get to the British market; there was a shortage there which attracted Canadian butter, so that when the winter came we had a shortage as compared with the previous year. We had therefore either to buy butter somewhere or go without it. My hon. friend from Lincoln (Mr. Chaplin) apparently would have preferred to have us go without it, and that is a matter of choice.

Mr. CHAPLIN (Lincoln): This minister can argue in a circle about as well as anyone I ever came across. He says there was a shortage here of 12,000,000 pounds, and in a circular letter, written in his own office over his own signature, only a few days ago, he has this to say:

> The present agitation originated largely with some dealers and creamery operators who hoped to realize higher prices on the stock of butter which they had on hand and for which the producers had been paid fall prices.

If you can beat that I want to hear the next one.

Mr. MOTHERWELL: I can give explanations—

Mr. CHAPLIN (Lincoln): You bet you can.

Mr. MOTHERWELL: —but I can never guarantee that the hon. gentleman will understand them.

Mr. CHAPLIN (Lincoln): You won't yourself.

Mr. MOTHERWELL: Of course there were stocks on hand, but the fact that is of significance is that we had 12,000,000 pounds too little as compared with the year before. That is the point.

Mr. CHAPLIN (Lincoln): And 4,000,000 pounds we imported would save the situation?

Mr. MOTHERWELL: Of course, where would you have got it?

Mr. CHAPLIN (Lincoln): And we had butter in storage. How much is in storage now?

Mr. MOTHERWELL: Oh, what is the use of talking?

Mr. FOSTER: There seems to be in the examination of this question a double-barrelled difficulty. The minister himself says that Australian butter coming in cost the consumers a higher price, and if I understood him correctly I think he said that the fear of this same influx of butter drove down prices in Canada. And if we are to believe the statement that has been made, the producers in the country, or at least a great many of them, went out of business reducing their stocks and herds, so that there was an adverse effect, in consequence, as regards the production of butter in Canada and the necessity for the consumers to pay higher prices. I think it is true that the dealers in butter in this country, sometimes in the summer, when there is usually a large quantity produced from an abundance of grass feed, later on keep up their prices anticipating a higher market. When therefore the treaty went into effect, or was about to go into effect, the dealers in Canada were on the verge of panic, and they sold heavily of their reserve stocks. The minister speaks of Tory propaganda, at the time of the election, creating a hubbub in the country and frightening the dealers and producers; but there would have been no propaganda had there been no legislation of this kind proposed or any treaty in sight. There are therefore two evils in connection with this matter, one bearing harmfully upon the consumer, and the other affecting the producer.

One word more. I listened attentively to the minister and I heard him say that the price in Canada to-day was ten to eleven cents higher than the export price. Did I understand the minister correctly?

Mr. MOTHERWELL: I read the dates.

Mr. FOSTER: That is all right, but approximately?

Mr. MOTHERWELL: 1921.

Mr. FOSTER: That is so, and that was maintained for some considerable time?

Mr. MOTHERWELL: Yes.

Mr. FOSTER: I wish to call the attention of the hon. member for North Huron (Mr. King) to that remark. Here is a statement by the minister admitting that the export price does not govern the home market price, the spread being 10 cents. I want hon. gentlemen to remember, therefore, that when they say the export price in the world market governs the price at home, it is at last on record, through the Minister of Agriculture, that that is not so.

Mr. BROWN: When you have an exportable surplus.

Mr. FOSTER: We had an exportable surplus.

Mr. BROWN: Not at the time the minister speaks of.

Mr. FOSTER: It is very peculiar, Mr. Chairman; I try to speak in a very mild manner, but the dogs of war hop on me from all corners of the House whenever I make a statement. It must be that I get under somebody's skin, and I can assure you that I do not mean to do so. I merely wish to point out what I hope is quite obvious to anyone giving a moment's thought to the subject. The minister says there is no exportable surplus, but in the next breath says there are 7,000,000 pounds in storage, and we export 30,000,000 to 40,000,000 pounds; we have 7,000,000 pounds more than are normally required. That is an exportable surplus. If the hon. member for Lisgar (Mr. Brown) cannot see that that is an exportable surplus, he should have a pair of glasses.

Mr. BROWN: It does not follow that there is an exportable surplus because you have a small reserve stock on hand for your own use.

Mr. FOSTER: My hon. friend is like the man in some parts of our own country who, when laying in a little sauerkraut for the winter, puts in eleven barrels for his own use. Seven million pounds is practically one quarter of our total export.

Mr. YOUNG (Weyburn): How much is that for each person in Canada?

Mr. FOSTER: It is 7,000,000 pounds more than is normally consumed, if that is anything to my hon. friend. Of course it would be a little difficult for him, I fancy, to figure that out offhand, but he may be one of those lightning calculators who come from certain sections of the country, and able to figure these things out rapidly. But my point is that when we have hon. gentlemen here telling the country and this House that the home market price is governed by the export price, we now know once and for all, from an authoritative source—the Minister of Agriculture himself—that that is not always true.

Mr. MOTHERWELL: I feel sorry for my hon. friend if he does not see the difference between what the hon. member for Weyburn (Mr. Young) said and the conditions which have prevailed during the last four months. We were an importing country for the last four months; that is the reason.

11 p.m.

Mr. FOSTER: With 7,000,000 pounds in storage we are importing?

Mr. MOTHERWELL: What is 7,000,000 pounds, spread over this Dominion?

Mr. FOSTER: It is a quarter of our total exports.

Mr. MOTHERWELL: I think perhaps my hon. friend finds difficulty in understanding the situation. My hon. friends from Nova Scotia make good butter and export it, but Canada as a country has been an importer of butter during the past four or five months. That is what the howl has been about, because we have imported 4,500,000 pounds of butter.

Mr. CHAPLIN (Lincoln): Under a low tariff.

Mr. MOTHERWELL: That is what the kick is about; hon. gentlemen seem to want to pay more. If the producers have suffered, and I do not admit that, it must be remembered that the consumer has benefited. They can take it whichever way they like.

Mr. SUTHERLAND (North Oxford): Mr. Chairman, there is no doubt this question is agitating the rural parts of Canada very much. During the last election the hon. member for North Huron (Mr. King) had to write a letter to the Globe saying that he

did not vote in favour of the Australian treaty. Someone inadvertently said that he had voted in favour of it, and he had to go on record to the contrary. That shows the feeling in his riding, when he had to correct that impression before he could hope for re-election. There is one last question I want to ask the minister. What in his opinion will be the effect on Canadian dairying of the recent increase in the American tariff on butter from eight cents to twelve cents?

Mr. MOTHERWELL: We will be less apt to go there. There is very little butter goes there, it will go to the world market, which is the United Kingdom. Occasionally some goes to the United States but not very much, and that amount will decrease under the twelve cent duty.

Mr. SUTHERLAND (North Oxford): Would there not be less if our tariff was higher?

Mr. MOTHERWELL: They do not bring butter in here.

Mr. SUTHERLAND (North Oxford): I mean from other countries as well as from the United States. Would not the same principle hold?

Mr. MOTHERWELL: As soon as we begin exporting, which will be in a month or so, there will be no butter coming from anywhere, because we will be exporting it.

Mr. TOLMIE: I think we have had an interesting discussion on this very important subject. It is now eleven o'clock and many of our agricultural members who would like to take part in this discussion are not here. I want to say a few words myself, and I think under the circumstances the minister might let this stand over until after Easter.

Mr. MOTHERWELL: Very well.

Mr. ROBB: Mr. Chairman, if my hon. friend offers no objection, perhaps we might pass this item, with the understanding that we will have a full discussion on it afterwards.

Mr. MOTHERWELL: We will have the whole question of dairying up again on the live stock vote. I would like to make a little progress.

Mr. MEIGHEN: The minister has not forgotten that he made a similar promise once before and when he got into the estimates, where we could discuss the particular item, he called on the chairman to shut discussion off.

Mr. MOTHERWELL: I did not make a promise.

Mr. MEIGHEN: The minister's memory is as poor as his dependability. That occasion is very clear in the minds of a number of us, and I do not think the minister could have forgotten it. It was on a similar vote. I am ready to accept any measure of repentance by the minister, and if he will promise not to do that again, so far as I am concerned I am prepared to let this go through.

Mr. MOTHERWELL: I say I never did it and I never intend to do it.

Mr. MEIGHEN: If we produce the specific case, will the minister beg pardon?

Mr. LAPOINTE: He will recant.

Mr. MEIGHEN: Yes, he will recant.

Mr. MOTHERWELL: He will crawfish.

Mr. MEIGHEN: I do not think he is too old to reform, even yet.

Mr. MOTHERWELL: No, we are always improving.

Mr. MEIGHEN: And with the distance the minister has to go, he can start any time. So far as I am concerned, I am willing to let the item go through, on condition that this discussion will come in at a future time.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.05 p.m.

Wednesday, March 31, 1926

The House met at three o'clock.

ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the House that I have received the following letter:

Ottawa, 30th March, 1926.

SIR:

I have the honour to inform you that the Right Hon. F. A. Anglin, acting as Deputy of the Governor General, will proceed to the Senate chamber at 4.15 p.m., on Tuesday, the 6th of April, for the purpose of giving the royal assent to an interim supply bill.

I have the honour to be, Sir,

Your obedient servant,

A. F. SLADEN,
Governor General's Secretary.

To The Hon.
The Speaker of the House of Commons,
Ottawa.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—STATION GROUNDS, SHUBENACADIE, N.S.

Mr. FOSTER:

1. Has the government or the Canadian National Railways decided to rent, lease or sell all or any portion of their station grounds in Shubenacadie Hants county, Nova Scotia, bordering on the main highway and lying between Manning's garage and the Pineo property between the loading wharf and the main highway? If so, to whom has the property been rented, leased or sold and what remuneration, if any, has been secured for same?

2. For what purpose is the land to be used?

3. Was the decision, if any, to rent, lease or sell this property advertised, and if so, in what papers?

Hon. Mr. DUNNING:

1. No.

2. See No. 1.

3. See No. 1.

CANADIAN NATIONAL RAILWAYS—WAREHOUSE AT GEORGETOWN, P.E.I.

Mr. MACDONALD (Kings):

1. Have representations been made to any departments of the government during the years 1925 and 1926 regarding improvement to warehouse on the railway wharf at Georgetown, Prince Edward Island, with a view to making said warehouse suitable for handling potatoes for export during the autumn months?

2. What is the intention of the government regarding this matter?

Hon. ERNEST LAPOINTE:

1. Yes, by Senator J. J. Hughes.

2. Matter under consideration.

FREIGHT HAULAGE AND REVENUE

Sir HENRY DRAYTON:

1. How many tons of grain and grain products did the Canadian Pacific Railway haul in western territory to the head of the lakes during the calendar year 1925?

2. In making this haul, what was the resultant total of tons of this traffic carried one mile?

3. What was the average length of haul of this traffic?

4. What additional total gross revenues would have been earned had this traffic been carried under existing rates on similar traffic in the United States?

5. How many tons of grain and grain products did the Canadian Pacific Railway haul in western territory to Vancouver in the year 1925?

6. In making this haul, what was the resultant total of tons of this traffic carried one mile?

7. What was the average length of haul of this traffic?

8. What additional total gross revenues would have been earned had this traffic been carried under existing rates on similar traffic in the United States?

9. What was the total percentage of grain and grain products hauled in western territory to the entire tonnage of that territory in 1925?

[Mr. Speaker.]

10. What percentage of the entire ton-mileage in the western territory in the year 1925, did the carriage of grain and grain products entail?

11. What was the percentage of the total revenue earned in western territory in 1925 by the carriage of grain and grain products?

12. What was the average rate per ton-mile earned by such traffic in said territory and year?

Hon. Mr. ROBB:

1. 5,873,286 tons of grain.
2. 4,237,738,165 tons one mile.
3. 721 miles.
4. Approximately $16,267,972.00.
5. 733,065 tons.
6. 574,805,646 tons one mile.
7. 784 miles.
8. Approximately $1,658,351.00.
9. 51.7 per cent.
10. 63.3 per cent.
11. 41.4 per cent.
12. 56/100 of one cent.

EXPERIMENTAL FARMS REVENUE

Mr. DOUCET:

What was the total revenue received from each branch of experimental farms and stations for, (a) 1924-25, (b) 1925-26 to date;
(1) In the province of Nova Scotia,
(2) In the province of Prince Edward Island,
(3) In the province of New Brunwick,
(4) In the province of Quebec,
(5) In the province of Ontario?

Hon. Mr. MOTHERWELL:

	1924-25	1925-26
Nova Scotia.		To March 30.
Kentville	$12,935.19	$10,853.58
Nappan	11,387.69	14,969.95
Prince Edward Island.		
Charlottetown	6,522.22	6,061.02
New Brunswick:		
Fredericton	9,107.09	8,449.57
Quebec.		
Cap Rouge	11,653.25	9,544.62
La Ferme	5,108.89	5,169.98
Lennoxville	15,539.74	18,289.74
Ste. Anne de la Pocatiere	5,267.48	8,302.33
Farnham	6,030.14	4,655.03
Ontario.		
Kapuskasing	10,296.17	10,035.10
Harrow	11,233.47	12,119.60

MR. R. C. WRIGHT

Mr. DOUCET:

1. Was Mr. R. C. Wright, chief architect, of the Department of Public Works, absent from Ottawa from February 18, 1926, until noon of March 8, 1926?

2. If so, was he on government business, annual leave, special or sick leave?

Hon. Mr. KING (Kootenay):

1. No.

2. Answered by No 1.

UNOPPOSED MOTIONS FOR PAPERS

RECLASSIFICATION OF EMPLOYEES

Mr. STEWART (Leeds) (for Mr. Doucet):

For a copy of all correspondence exchanged between the Department of Public Works, the Deputy Minister and Chief of Legal Branch with the Civil Service Commission, relating to reclassification of Mr. M. O. Durant, Miss Berthe Hébert, Miss Violet Becker and Miss Yvonne Parent, together with copy of report made by the investigator of the commission, Mr. C. R. Medland.

ABSENCE OF OFFICIALS OF PUBLIC WORKS DEPARTMENT

Mr. STEWART (Leeds) (for Mr. Doucet):

For a statement showing the annual leave, special leave, sick leave, or absence on government business, of Mr. R. C. Wright, chief architect, T. W. Fuller, assistant chief architect, and Messrs. Antonio Boucher, T. D. Rankin, A. J. Barclay, all of the Department of Public Works, Ottawa, for the fiscal years 1921-1922, 1922-1923, 1923-1924, 1924-1925, 1925-1926, giving date in each case.

TARIFF ADVISORY BOARD

On the Order for Motions:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): If I could have the unanimous consent of the House—I know I have no right otherwise—I desire to ask if the government is going to fulfil the promise of the Prime Minister in reference to laying on the table of the House a copy of the order in council giving the personnel and powers of the tariff advisory board.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I mentioned the other day that I hoped to be able to lay the order in council on the table of the House on Monday, but I beg now to inform my right hon. friend that it will be laid on the table immediately after Easter.

Mr. MEIGHEN: What is the trouble?

Mr. MACKENZIE KING: There is no trouble.

PRISON REFORM

PRODUCTIVE WORK AND COMPENSATION FOR INMATES OF PENITENTIARIES

Miss AGNES MACPHAIL (Southeast Grey) moved:

That, in the opinion of this House, the administration of penitentiaries be amended to provide: first, sufficient productive work to keep the inmates employed; and, second, that a share of the proceeds go to dependents, and in case of no dependents such share to be held in trust until release.

She said: Mr. Speaker, the resolution just read by yourself was presented by me to the House last year and was received very favourably. I think it would have been adopted by the House if six o'clock had not arrived too soon. I believe that no party, as a party, opposed it, and if I remember correctly only one individual member objected to the resolution. I possibly should have inserted in the resolution a declaration that manufacturing operations in penitentiaries should be limited to state goods—that is goods needed by the state. In this case it would apply simply to goods required by the federal government, because there would be no control over provincial governments. That statement is not in the resolution, though it was my intention that it should be.

The object of penitentiaries is I suppose two-fold; first, to protect society by taking out of society those who are harmful to it and, second, to reform the criminal, making it safe for him to return to society again. The old idea of putting people in a place of confinement was one of revenge; that is, the state took upon itself the duty or task of revenging the wrong done. This idea has been gradually changing until now we think of a penitentiary as a place where people are reformed so as to be made fit again to come out into society. I should not like to say that punishment does not enter into the reform of the criminal. I think it does; I think it is just that it should. Possibly the most terrible punishment that can come to anyone is to have no freedom, to be confined, not to be able to move among one's fellows as one would wish. This terrifying punishment is the prisoner's and always will be. It is true, however, that the state should be above revenge.

The committee of three appointed under the Right Hon. C. J. Doherty to advise upon the revision of penitentiary regulations and the Penitentiary Act went into this question fully, and presented a report in which they state that the Penitentiary Act has not been changed for a very long time. They say:

The Penitentiary Act has from time to time been repealed and re-enacted and some of its provisions from time to time amended, but the present statute does not substantially differ from that passed in 1868.

There has been a great change in the public mind regarding the treatment of prisoners, regarding, indeed, what is meant by punishment and penitentiaries, but the act has not been changed so as to keep pace with changing public opinion. All that is said in the present act in regard to what I am advocating, namely, productive work for prisoners with pay, is said on page 17:

Section 62. Imprisonment in a penitentiary shall be with hard labour, whether so directed in the sentence by which such imprisonment is adjudged or not.

Paragraph 3 of the same section reads:

The convicts may be employed in labour under the control of the crown; but no labour shall be let out to any company or person.

The provision was a wise one that no labour should be let out to any company or person. But while convicts may be employed under the existing administration of penitentiaries, they are not employed in productive labour to the extent at least that those who are in charge of them would like. In regard to the pay of prisoners, the present act states that when a man is freed and leaves the penitentiary he is—

—furnished with a suit of clothing other than prison clothing, and with transportation to the place at which he received his sentence, and such other sum in addition, not exceeding ten dollars, as the warden deems proper.

That is all the provision that is made in the present act for productive employment with pay for prisoners. Inasmuch as this report prepared under the direction of the Right Hon. C. J. Doherty was exhaustive and was made with a view to amending the administration of penitentiaries and the act itself, we should put a good deal of reliance upon it. This report emphatically recommends that prisoners be given work and be paid for their labour. On page 21 of the report, after leading up to this conclusion, they say:

The committee, therefore, most emphatically recommends statutory provision to provide productive labour for all convicts. Such provision need not extend to any work except for what is known as "state use" and can, in Canada, not extend any compulsion beyond the federal service, but the evidence taken by the committee has satisfied it that manufactures within this limitation will afford much more than ample scope for all the industry and activity which the penitentiaries can put forth.

Further down on page 21 with regard to pay they say:

The mere provision of work is not, in the opinion of the committee, sufficient. That the heaviest penalty for a crime is paid not by the criminal, but by his dependents has been chiefly emphasized before the committee, not by philanthropists and charitable workers but by judicial, police and penitentiary officers of long standing. Their views are based upon the unfortunate and expensive social consequences of the pauperization of decent women and children, upon the destruction of the convict's sole anchor holding him to decency of conduct after discharge.

I need not read all the report. It concludes:

If anything but evil is to follow punishment by imprisonment for long terms, it is, in the opinion of the committee, essential that such provision should be made as will allow the convict to earn at least something towards the support of his dependents during his confinement or of himself after his release.

[Miss Macphail.]

I will give briefly a list of associations that I know of that favour this or a similar resolution, or at least this principle:

The Canadian Prisoners' Welfare Association; General Secretary, John Kidman, Montreal.

The Child Welfare Bureau of Canada; Secretary, Charlotte Whitton.

Neighbourhood Workers' Associations—79 organizations in the city of Toronto; Secretary, F. N. Stapleford.

The Trades and Labour Council of Canada.

The United Farmers of Ontario.

Superintendent of Penitentiaries, Brigadier-General Hughes.

The wardens of all the penitentiaries.

Canadian Bar Association.

Committee of three appointed under the Right Hon. Mr. Doherty.

So we see that those who are most interested, not only in the welfare of prisoners, not only in the protection of society, but in the welfare of the women and children that are left helplessly upon society, are recommending that this step be taken at this time by the government.

I am going to quote briefly from the report of 1921 by the Superintendent of Penitentiaries, Brigadier-General Hughes:

The inmates of the penitentiaries are the wards of the Dominion government and there is no valid reason why goods required for state use, and state use only, should not be made, as far as possible, in the penitentiaries. The government spends many thousands of dollars yearly for furniture, furnishing, and equipment of various kinds, a small portion of which could be made in the penitentiaries. The revenue derived from this source would enable the institutions to pay each inmate on his discharge, or to his family while he is in prison, a small wage, which would materially assist the stricken family in keeping the wolf from the door while the wage-earner is incarcerated; or, in case the inmate had no family responsibilities, would furnish him with sufficient funds on discharge to assist him in making a fresh start in life.

The Superintendent of Penitentitaries goes on to point out that he has recommended the same thing in his reports of 1896, 1897, 1905, 1909, 1913, 1914, and 1915; I have read the reports of 1919, 1921, and 1923, and he has continued to ask for this thing which up to the present has not been granted.

One could quote in a way that might weary the House from the reports of the superintendent and from the reports of the wardens of the penitentiaries, the different wardens asking that work be provided for the prisoners under their charge. The situation is not as difficult in a pentitentiary where building is still going on, where the prisoners can be employed in building their own prison. The men are kept at work; they are more contented, and the duty of keeping them in order is a simpler one although it is true they do not get any pay for the work that they do.

I quoted last year, and I do not intend to repeat it this year, various authorities on prisons and prisoners in different countries throughout the world, and they are in absolute agreement that you cannot reform a prisoner unless you keep him busy and contented. They are in agreement that it is a very bad thing to break the most tender link, if there is any tenderness and human feeling left in him, that binds the prisoner to his home. As it is, this link is ruthlessly broken. It is felt that this is the worst thing that can happen to the prisoner, his dependents and society as a whole.

There is a general feeling among social workers that it is unwise to release prisoners, whether men or women, from the responsibility of their families. In the case of men there is a tendency not to want again to assume that responsibility, and the effect on the families themselves is injurious. The wives and children are often left absolutely destitute, the children being forced out into the streets where they become criminals. This would not happen if they had enough money to keep them at home where they could be brought up by mothers who, in some cases at any rate, are very far from criminal in type.

I should think that there would be a strong tendency toward embittering the whole family by the treatment which it now receives in consequence of the breadwinner being sent to prison. The family is innocent of any offence and yet it is called upon to bear the brunt of the burden. This, I am sure, cannot inspire them with any great respect for the law or for society at large. But you may look at the matter in another light: why should hard working people be asked to pay to keep prisoners in idleness, and to support their families who have no means of helping themselves? Those of us who for the time being at least are out of prison have to bear the expense of keeping the whole family unit in two different places in a manner that is exceedingly expensive to us and quite disastrous to the family.

I believe that work would make for discipline, which possibly is one of the grave problems in the conduct of prisons at present. Work would render prison discipline much easier than it can be where the prisoners are in idleness. As a matter of fact, good behaviour where there is no work is not possible. The objection that is usually made to this reform which I am asking for is that labour is opposed to it; labour is opposed to prisoners putting the product of their toil upon even a restricted market such as might be afforded by the state. But that objection will no longer hold. In 1920 the Trades and Labour Congress of Canada at its annual convention held in Windsor between the 13th and 18th September asked for the appointment of a committee to inquire into the administration of prisons, and requested that labour be given a place on that committee. The committee was appointed and labour was included on it, Mr. Biggar being its representative on a body of three. Labour in 1924, at the annual meeting of the Trades and Labour Congress of Canada held in London between September 15 and 19, endorsed not only this principle contained in the report, but the entire report, and asked parliament to pass an act to give effect to such prison reform as was recommended in the report of the special advisory committee on Prison Reform of 1921. So that labour, as such, does not object to this reform.

The cost of penitentiaries in Canada for the year 1923 was $1,441,900.93: the cost of a conviction is $1,200. Now, by giving the prisoner work you would help him to make a more harmonious adjustment to life upon his release and to some extent, at any rate, prevent a recurrence of conviction. If we can do that we shall effect a saving. If, too, the productive work is increased until such time as the prisoners earn enough to keep themselves, we shall lift from the state the burden of this sum of money which must be voted by the tax-payers from year to year, amounting to approximately a million and a half.

Before this resolution came up last year I received a letter from Brigadier General Hughes. He said:

> I note with pleasure, from parliamentary publications, that you have given notice of a motion regarding the providing of work in the penitentiaries. While the revenue from this source has been increased from $53,000 to $167,000, we are still only doing about one-tenth of what we are capable of undertaking.

In conversation with Brigadier General Hughes I judged that, with the equipment they now have, if they could get work for the prisoners to do they could accomplish nine-tenths more than they are able to perform now.

The mayors of our cities and towns and the reeves of the various municipalities often find themselves in a quandary. They have the prisoner's family on their hands. The breadwinner is in prison where possibly he ought to be, and the head of the municipality, while he does not want to interfere with justice, while he does not want the man at large if prison is the proper place for him, dislikes on the other hand having to shoulder the burden of supporting the family. In fact, too often

prisoners are released, not because they are ready once more to enter society as good citizens, or because their time has expired, but simply because pressure has been brought to bear upon the authorities to have them released so that they may take up again the task of caring for their families.

This proposal of providing productive work for prisoners, with pay, has been successfully tried in Jackson penitentiary, Michigan, as well as in Minnesota. These are the two outstanding successes. The plan has also been tried in New Jersey and New York. Let me quote from my speech of last year: Mr. Vasaly, speaking for the Minnesota Penitentiary Board says:

> In the first place, our prison earns its support; it saves the state something like $360,000 a year in that respect.

Reading later reports I find that they provided a large sum, described as a revolving fund, of some $6,000,000 with which they buy the raw materials required for their work. This officer was very much pleased with the success of the plan and he writes:

> In that connection let me say that I know of no greater aid to prison discipline than wages. . . The prisoner is contented, first of all, because he is working. He is contented because he is earning something for his family. These things put together have great effect on discipline and make the prisoners more content and make them feel much more hopeful than they could otherwise be. It seems to me any system of prison labour, no matter what it may be, that does not take into account that side of things, the creation of contentment and hopefulness in the prisoner, not only with regard to himself but his family. is a mistake.

In the year ending June 30, 1917, Jackson penitentiary had made a net profit of $156,000 after paying all expenses of the institution and making proper allowances for depreciation on buildings and machinery, paying wages to the inmates and providing food, clothing and other necessities.

Mr. NEILL: What rate of wages was paid?

Miss MACPHAIL: The wages ranged from ten cents to $1.50, to which must be added cost of shelter, food, clothing, medical attendance, chemistry, and so on.

Mr. HAMILTON: What proportion of the prisoners who have received, either through parole or otherwise, treatment which can be considered kindly, have returned to the penitentiaries after release? Has the hon. member any record of that?

Miss MACPHAIL: That information can be got from any superintendent's report. But the fact is that recurrent convictions are diminishing as time goes on. I do not recall it at the moment. However, the recurrence of convictions is lessening as time goes on possibly on account of the more humane methods of treating prisoners.

I do not want to dwell on this subject any longer. I appeal to the House to pass this resolution; I do not want six o'clock to arrive with the motion still undisposed of. Personally I am not interested in the resolution because I am going to do my utmost to avoid ever being placed in such a position as to need its provisions. But I do think that I can appeal to all hon. gentlemen to support this resolution on the grounds of economy, humanity, and common sense. Everybody conversant with the subject desires to see this policy caried out, and I see no reason why those who may not be as familiar with it should object to the realization of the desired end. It seems to me that our duty in the matter is obvious, and that we have the privilege this afternoon of demonstrating that we are as wise as our constituents conceive us to be. I hope that we shall all live up to that high standard by supporting this resolution.

Hon. J. W. EDWARDS (Frontenac-Addington): The few remarks I have to make will not I think offer any obstacle to the passage of the resolution this afternoon. Some years ago it was my privilege as a member of this House in consequence of certain reports that were brought to me to ask for an investigation into the conditions at the Portsmouth penitentiary. Because of that I had an opportunity to visit that institution and to estimate for myself the conditions as they prevailed at that time and I take a great deal of satisfaction in the fact that as a result of the investigation then made, very much-needed reforms resulted which took away from the people of Canada the reproach of continuing practices which were a disgrace absolutely to any civilized people.

There is, perhaps, no person so good as to have no bad in him. On the other hand, there is no person so bad as to be absolutely devoid of good. I encountered a striking instance of that, which I recorded on the pages of Hansard some year ago. I had made an application to the then Minister of Justice for the release of a prisoner who had been sentenced to imprisonment for life, on the condition that he would immediately go overseas. The family from which this convict came was highly respected and this man was the only black sheep of that family. But after several years' confinement in the institution—during which time he had the opportunity, I believe, of saving the life of at least one of the guards who was attacked by

a fellow-convict, and, perhaps the life of another—his brother having gone overseas and made a good record and come back in shattered and broken health, this convict conceived the idea of trying to wipe out his past by doing something which would be creditable to himself and to the family to which he belonged. That man was given the opportunity to go overseas, and whenever any dangerous task was to be performed he asked for the privilege of taking the risk. While overseas he gave up his life, and I received later a number of letters stating that the regiment to which he belonged gave this ex-convict all the honours they could accord him in his burial, firing a salute over his grave, and holding impressive funeral services. I cite that instance to show, Sir, that no matter how unenviable may be the light in which society regards a man, the worst individual has in him some element of good if those in charge of our penal institutions only had the tact and good judgment to bring that good to the surface.

I have had the opportunity on many occasions of going to the penitentiary at Portsmouth, which is very close to the constituency I have the honour to represent, and I have noticed this fact: Those convicts who were engaged in such work as making boots, or brooms, or clothing—in fact, any work which required some activity of the mind—had an entirely different appearance from the men who were sitting on a block of wood from day to day breaking stone. One could not help being struck at once with the difference in the appearance of the two classes of men. There was some glimmer of intelligence in the eyes of those performing work demanding some mental activity; there was a deadness in the eyes and general appearance of the men who were doing nothing but breaking stone. In the crushing or breaking of those stones the convict had a task which held no attraction for him and in which he could see no result. He was not only breaking stone but he was breaking his own health, and what was of more importance, in my judgment, he was crushing his mental and moral fibre as effectively as he was crushing into dust the limestone that he hammered.

I believe this resolution is along the right lines. As the hon. member for Southeast Grey (Miss Macphail) has indicated, it is not a new matter; it has been under consideration both in this House and in the country on various occasions. I see no reason why these convicts should not be engaged in productive work and paid at a rate of wages on a sliding scale. I can conceive that even though the man is behind prison walls there is still a tie which unites him with the outside world—perhaps the only one that is left—namely, love for his home and family. And under our boasted civilization that family is forced to bear the burden of the convict's crime. To me that is the greatest tragedy of all. We feel that the man who is incarcerated because of his own misdeeds deserves the punishment awarded to him; but there is no one who does not feel that when that punishment reacts on the innocent wife and children there is something wrong with the conditions which make such a thing possible. Such a result may be inevitable, but it is not impossible for us to ameliorate those conditions so far as regards the wife and family. It is quite possible, within reasonable limits, to bring about that amelioration, and I submit that it is our bounden duty as civilized human beings who are desirous of doing the right thing to take the necessary steps toward that end.

It seems to me that a great many things required by the state might very well be standardized and produced by prison labour. Some good would flow from that, even if it resulted in nothing else than the taking out of the hands of officials the initiative in furnishing their own offices. For we observe that whereas some officials furnish their own offices reasonably and decently and at moderate expense to the public, others do so on a scale which would seen to indicate that they thought the public treasury was inexhaustible. I see no reason why one man sitting in an office should have a mahogany table while another man has a table made out of Canadian pine or maple. You can write just as well on the one as you can on the other. There are many things required by the state which could be produced by prison labour, and a rate of wages might be set on a sliding scale, which would be an inducement to the prisoner to conduct himself properly within the walls of the institution. A man might start, we will say, at 10 cents, 15 cents or 25 cents a day and be told that as his conduct warranted it that rate would be increased by 10 per cent, 15 per cent or 20 per cent, to the extent that he was endeavouring to make some provision for those dependent upon him. Under those conditions, I venture to say that his conduct would become very much better. Not only that, but I presume it is in the mind of every convict that while perhaps he is being justly punished for his misdeeds, there is an element of injustice in that his family are obliged to suffer; that the state in punishing him—which punishment is warranted—is doing

a wrong in carrying that punishment on so that it falls upon his wife and children.

I would like to see something done along this line. I believe it is in the right direction, and I merely wish, Mr. Speaker, without taking up any further time, to give my very strong support to the resolution proposed. I daresay it can be worked out by the government and the heads of the departments in such a way as not to harm the industries of the country, but rather to result in much good to the convicts and to their dependents.

Hon. ERNEST LAPOINTE (Minister of Justice): I supported a similar resolution last year, Mr. Speaker, and I am pleased to give my support again this year. I wish to congratulate the hon. member for Southeast Grey (Miss Macphail) for having brought this subject before the House; there can be no worthier subject for our consideration. There is no doubt that work must be given to the convicts in our penitentiaries; nothing could be worse than idleness, and if we give them work, I entirely agree with the hon. member for Frontenac-Addington (Mr. Edwards) that such work should be productive. The idea of former times, which was to force prisoners to break stones, I can only characterize as being stupid and very dangerous to the their well being. It was an idea which surely could not conduce to any reform, and after all reform should be the main idea with regard to convicts.

As my hon. friend said, the work could be done especially to meet government needs. At present, on account of the dilapidated condition of the buildings in most of the penitentiaries—with the exception of the Saskatchewan penitentiary, which is a new building—a fair portion of the inmates will be employed for some years to come in reconstructing, remodelling and repairing the buildings. For many years prior to 1919 very little work in the way of repairs was done to these buildings. As a matter of fact, only last week the warden of the Manitoba penitentiary asked that convicts be transferred to that institution on account of the large amount of work to be done in reconstruction. At the same time the warden of the Kingston penitentiary reported that he had not sufficient shop room to enable him to employ the number of inmates then confined there, and that from 75 to 100 of them might be removed to another institution. This we have done; 80 convicts have been transferred to the Manitoba penitentiary, where there is work for them.

We should have enough revenue-producing work to employ the inmates for whom employment cannot be found at reconstruction, but of course this must be done gradually.

I may say that this is the policy I intend to carry on so long as I am at the head of this department. The additional work must be taken on gradually, as shops can be remodelled and equipped with the necessary machinery. It is deemed advisable, of course, not to attempt too much until the institutions are prepared for the work. As the hon. member who moved this resolution indicated, improvements have already been made in that direction; there is a revenue of over $160,000 yearly from penitentiaries.

Until 1888 I think contract work was carried on, but this has now been abolished. Prior to 1921 organized labour as a rule was opposed to work being done in the penitentiaries which might compete with free labour, even for the use of the departments of the government, but that opinion has been changed. Only this morning the government received a delegation from the Trades and Labour Council of Canada, and one of the requests made by that delegation was that the conclusions contained in the report of 1921 should be adopted and carried out. They believe that so far as the needs of the government are concerned, the work might well be done by the prisoners. After this question was discussed here last year, the secretary of the Garment Manufacturers' Association wrote me—I think it was Mr. Sparks—objecting to the idea of having uniforms made in the penitentiaries, even for government use. I called to his attention a resolution passed by the garment manufacturers of the United States who, while opposing the prison manufacture of garments which would compete on the market with free labour, had no objection to the manufacture of uniforms for the use of officers of the various departments. I indicated last year what was being done in the penitentiaries, and what work could be done. I might perhaps state the classes of goods which might easily be made in our penitentiaries, and for which it would be very easy to have the necessary equipment:

All classes of canvas goods, such as tents, tarpaulins, flies, nose-bags, water pails, packs of all descriptions, and so on; furniture of all descriptions, in wood; all classes of galvanized iron and tin goods; clothing and the manufacture of uniforms—military, mounted police and other such; leather goods, including harness; bookbinding; boots and shoes; hickory handles of all descriptions; blacksmith shop work; machine shop work; stone cutting; broom making, and so forth.

As I said, if all the departments of the government were giving orders for such articles, it would be an easy matter to keep

the population in our penitentiaries busy. In the United States there is some co-operation between some of the states by which one state will give orders to the penitentiary of another state for special work, and in Canada I believe it might be possible to come to some agreement with the provinces whereby the provinces might give orders to our penitentiaries for articles which they require for their own departments.

As to remuneration, this is a very important question. I believe a way might be found to give some reward to hard-working convicts who have a record of good behaviour in the penitentiary. There is no doubt that the lure of gain or the hope of some improvement in their situation would be an incentive to good behaviour and to work. Of course, a certain amount would have to be kept by the state, representing the expenditure to which the state was put for the upkeep of the convict, but a little might be set aside not only for the dependents of the convict but for the convict himself, because I am rather of the opinion that it is hard after having kept a man in penitentiary for six or seven or ten years to put him out on the street at the end of that time with only a suit of clothes and five dollars in his pocket, as we do at the present time. If he has reformed and wants to try to lead a good life henceforth, it is rather hard not to provide him with a little money to enable him to look around and live for a few days at least before he can find some work to do. This could be done by giving some remuneration to the well-behaved prisoners, and such a system would provide us with the best kind of punishment, I think, because when a man had done something for which he deserves punishment a fine might be imposed and deducted from the amount which he would have to his credit. This would be better than those punishments to which we have to resort at the present time. There is no need to talk of big sums at all. After the deductions are made for the cost of the convict's maintenance in the penitentiary and for any fines which may have been incurred—and also for tobacco; because the convict is allowed to smoke in some of the penitentiaries, at least in the United States, at certain times—there would not be left a very great sum, but the amount would be very useful to the convict when he comes out of the penitentiary.

4 p.m.

There is another thing which is not made the subject of the resolution, but to which I am giving a good deal of thought, and that is the possibility of segregating the young convicts who are sentenced for the first time. Under present conditions they are mixed up with the hardened criminals, and that does not give them a chance. If we could find a way to build a special institution, or even two institutions, for the purpose of receiving and keeping these young men, rather than put them with the hardened criminals, I think that would be a good reform to undertake.

As I said at the beginning, I am strongly in favour of the principle embodied in this resolution. I shall certainly vote for it, and I hope the House will.

Motion agreed to.

IMPORTS OF EGGS

PROPOSED TARIFF INCREASE ON UNITED STATES PRODUCT

Mr. W. K. ESLING (West Kootenay) moved:

Whereas the low duty of three cents per dozen on eggs entering Canada from the United States and the entry of Australian eggs free of duty, encourages the importation of storage eggs, thereby creating unprofitable conditions and unjust competition for Canadian poultrymen, and

Whereas the entry of Canadian eggs to the United States is prevented by reason of a tariff of eight cents per dozen, this House is of the opinion that the welfare of Canadian poultrymen will be fostered by placing a duty on United States eggs entering Canada, equal to that on Canadian eggs entering the United States.

He said: Mr. Speaker, representing a constituency which is very much concerned in advancing the poultry industry, I wish to say a word on this resolution. The basic principle of the resolution is the encouragement of the poultry industry in Canada by protection against unfair and unjust competition occasioned by the dumping of the products of foreign countries, particularly the United States, into this country by reason of the low duty of three cents a dozen, and protection also against Chinese eggs shipped into Canada, not only in shell, but in bulk, and against Australian and New Zealand eggs which now come into Canada absolutely free of duty under the Australian treaty, which went into operation in October last.

Perhaps the greatest menace in connection with this question is the vast quantity of cold storage eggs imported into Canada from the United States at the very low duty of three cents per dozen. These eggs are purchased in the southern states at the height of the season at a cost of ten, twelve and fifteen cents per dozen; they are placed in cold storage, kept there for several months, and at the time when the Canadian poultryman hopes to realize something in return for his expenditure and his efforts, he finds he is confronted with

a serious problem on account of the dumping into Canada of these vast quantities of eggs from the United States. We have in Canada grading and marking regulations, in British Columbia particularly, and these may be evaded or criticized. The fact remains that the only effective measure to encourage the poultry industry is a protective duty which will give the Canadian producer the benefit of his own market.

In British Columbia we have probably advanced beyond any of the other provinces by reason of the fact that we have an eggs marking act. Neither British Columbia nor any other province can protect its poultrymen by the imposition of a duty or a tariff, but in British Columbia we went this far—and of course it was a Conservative government which took the step—back in 1916 the Conservative government of the province placed on the statute book an egg marking act, which provided that all eggs imported from a foreign country must be marked; each egg must be stamped as the product of such and such a country. The result is that we in British Columbia are not hampered by our producers being forced to enter into competition with eggs imported from China. The distribution and the use of Chinese eggs, therefore, or rather the monopoly, is confined almost entirely to the prairie provinces, to Quebec and some of the eastern provinces.

These Chinese eggs are imported not only in the shell, but in tin containers, buckets and barrels. They are frozen hard, brought into Canada, and put in storage until an opportune time arrives for placing them on the market in competition with other eggs. They are used, of course, in the different bakeries, in the extensive line of cheap restaurants, and for confectionery and colouring purposes generally. These eggs have been scrambled in China, so that my friends from Montreal, when they go into a restaurant and order an omelet, do not know whether they are getting Chinese eggs or eggs of very much older vintage than they imagine. But the marking acts do not prevent the dumping of United States eggs under a tariff of three cents per dozen, or the dumping of Australian or New Zealand eggs which are to come in duty free. I think we ought to realize fully the importance of this resolution, because it simply means that every case of eggs imported into Canada discourages to that extent the production and business of our own Canadian poultry men.

In order to show the enormity of these importations, I may point out that in the calendar year 1925 we imported 2½ million dozen eggs from the United States and 150,000 dozen from China, Japan and other countries. As my hon. colleague from Fraser Valley (Mr. Barber) pointed out in his address earlier in the session, the consumption of eggs in Canada is ten foreign eggs to one Canadian egg. From that statement we can realize the extent to which the poultry industry is being jeopardized. This accumulation of United States eggs purchased in the southern states at the height of the season at ten, twelve and fifteen cents a dozen, is at an opportune time dumped upon the Canadian market. Hon. members will observe from statistics that they do not come in during the whole year, but principally during the first three months of the year. In the last nine months of 1925 there were 125,000 dozen eggs brought in from the United States, while during the first three months the total import was 2,451,860 dozen; so hon. members can see that they take the opportunity to dump them into Canada at a time when they will be in greater competition with our own producers. Then we have the bulk and the frozen eggs from China and other countries, which in 1925 amounted to 1,507,000 pounds. Those bulk and frozen eggs come into Canada by the pound, not by the dozen. During the first three months of 1926 we have imported already from the United States, at the low duty of three cents a dozen, 2,620,000 dozen eggs, and from China, 241,000 pounds or 400,000 dozen. There again we have an emphatic illustration of the injury which this dumping of low grade storage eggs is doing to the production of the Canadian poultrymen.

The government is taking measures to encourage immigration, and we are clamouring for more people to go on the land. We are urging intensive farming, and certainly poultry raising is a very important branch of farming. We look upon farming as the backbone of the country, yet by actually discouraging one of the very important branches of farming we are really breaking that backbone. In January last a meeting of the provincial poultry association was held in Victoria, at which more than a hundred members were present, and a resolution was passed and transmitted to the Minister of Agriculture, urging that the federal government be requested, as an act of justice, to do something to provide a remedy. In all these resolutions passed in western Canada we usually find the request that, as an act of justice to the poultrymen, the duty on eggs be raised sufficiently to make it equivalent to the duty on Canadian eggs going into the United States.

Then in August last, at Des Moines, Iowa, there was a meeting of the National Association of Poultrymen, which was attended by the Canadian representative, Mr. J. B. Martin. I notice that Mr. Martin, in his address to the association, made this statement:

The dumping of low grade United States eggs, on the Canadian market, brought about by the low tariff of three cents per dozen, was one difficulty the Canadian poultryman found. Producers in Canada were demanding that this be raised to eight cents and no doubt this would be done in the near future as a mere act of justice.

I regret that the hon. member for Fraser Valley, being at present under the care of a physician, is not here to-day, because this is a matter of vital interest to his district, also, and I know he would contribute much interesting information on the subject. I hope, however, for some sympathy from the other side of the House, and especially do I hope for that of the hon. member for Comox-Alberni (Mr. Neill). We have his pronounced views on this matter; as reported on page 908 of Hansard he admits the principle of protection, and says:

I think it extremely unjust and one-sided that we should have to compete with an eight cents per dozen duty on eggs going into the United States from Canada, when eggs coming into Canada from the United States pay a duty of only three cents a dozen. If we have protection I want to see it provided all round and not to have it centred on a few industries in Ontario. I want to see it applied to British Columbia.

So do all of us from British Columbia want to see the principle of protection applied to all industries in that province; and that was the issue in the last election in Comox-Alberni as well as in all other parts of the province. The hon. member for Comox-Alberni admitted that, because on the same page of Hansard he made this statement—and we must remember that this is our independent member from British Columbia:

I promised my constituents. . . I would vote for an increase in the duty on eggs coming from the United States. I attached a proviso to it. . . that it should not be wrapped up with a vote of want of confidence. If the proposition is made as a clear, separate issue, I am quite prepared to vote in favour of it.

This is a clear and separate issue. It is for the purpose of encouraging the poultry industry in Canada. It is a vital factor in connection with the farm. We are spending a vast sum to bring settlers to Canada; the government are urging that the great need of this country is immigration; they want to fill up the land, and yet they are placing an obstacle in the path of the man whom they are inviting to go on that land. In view of the utterances of the hon. member for Comox-Alberni, and as we must have the sympathy of some hon. members on the other side—I know we have the sympathy of all members on this side, including my Progressive friends—I hope the House will give careful consideration to, and vote in favour of, this resolution.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I should be surprised if a motion of this importance should pass with only one speaker from the other side of the House. My hon. friend who moves the resolution (Mr. Esling) referred to Australian eggs coming in. No Australian eggs have come in so far. As regards United States eggs coming in, the number has decreased, according to the latest official annual government returns, from six million to two million dozen per annum. The hon. member says that the only effective measure of dealing with the well known slump in the egg industry in British Columbia is by this measure of protection that he advocates. I would point out that the organization under whose auspices the meeting from which he quoted was conducted used this language in a letter which I quoted the other day:

The Board of Directors and management of this association are of the opinion, and very strongly of the opinion at that, that the Eggs Marks Act is a much better form of protection than 5 cents extra duty, at the same time we believe that if the act was a federal measure instead of a provincial one, it would have a better chance, etc.

And so on. I would suggest another measure that would also be a great benefit to the poultry industry, more possibly than even the one that the hon. member is now advocating, and that is the adjustment of freight rates on wheat. I alluded to this in the same speech from which my hon. friend quoted. I do not want to go into that issue to-day; but as I mentioned before, freight rates on wheat for export from the prairies to Vancouver have been twice reduced within the last eighteen months or two years, and on neither occasion was the domestic rate on wheat for use by poultrymen in British Columbia reduced at all. Therefore, even if the discrimination was just before then—and I do not admit it was—it cannot be now because the export rate has been reduced twice and the old domestic rate remains on wheat for chickens which is, of course, of lower quality; while the export wheat is of the highest quality. It is cheaper to buy wheat of the same grade in China than in Vancouver.

The hon. member, of course, had to give his resolution a political aspect by going back to the Eggs Marks Act of British Columbia which he said was passed during the

regime of the Conservative party there, and giving his party credit therefor. I think he might have left that out, owing to this fact that while there was an act passed, presumably during that period, it was not as beneficial and as effective as the present act which was passed in 1923. The old act to which he alluded—I take his word for it that it was passed then—demanded or required principally that egg containers should have marked upon them the country of origin. While that is good so far as it goes, it was found to be of very little practical effect. For instance, a woman would go into a store and ask for a dozen eggs, and the man would go behind the counter or to the back of the store and take eggs out of a case marked Chinese or United States eggs. The customer would not see the container; the man would put the eggs in a bag and the customer would take them away. The provision was found, therefore, to be of very little use. I do not think the present act was due to Liberalism at all; I am not going to suggest any credit in that regard. It was the pressure and insistence of the poultrymen of British Columbia that led the government, which happened to be Liberal, introducing and having passed the present Eggs Marks Act, which requires each particular egg to have stamped on it the country of origin. That is a totally different thing, and poultrymen agree that it has been of tremendous advantage in British Columbia. It was that reason that led me to introduce the resolution which I brought in the other day to extend the benefits of this act to the whole of the Dominion.

My hon. friend wasted a great deal of ammunition on my humble self by quoting extracts from my speech in order to demand my sympathy and support for this resolution. He need not have worried; my sympathies are entirely with the resolution. I do not need to be reminded of former remarks I made in this House or elsewhere to be compelled to manifest that interest. I will certainly vote for the hon. member's motion, but I think his advice, his admonition and his demand for sympathy would have been better expressed to his own party friends the other night when I had before the House a resolution in regard to the Eggs Marking Act, which resolution only two hon. gentlemen opposite supported, while others opposed it. I lacked then even from himself that expression of sympathy which the hon. member now demands from me, and I was advocating on that occasion a resolution which this association in British Columbia say they regard as more important even than an increase of five cents a dozen in the duty. However, as regards its main aspects I am entirely in favour of the resolution and I earnestly hope that it will be adopted and carried into effect.

Hon. J. A. ROBB (Minister of Finance): The first part of the resolution reads:

Whereas the low duty of three cents per dozen on eggs entering Canada from the United States and the entry of Australian eggs free of duty, encourages the importation of storage eggs, thereby creating unprofitable conditions and unjust competition for Canadian poultrymen, and—

That is an allegation of fact which my hon. friend is scarcely able to prove. As a matter of fact, no eggs have come in from Australia or New Zealand since the treaty went into effect.

Mr. ESLING: Are Australian eggs not permitted to enter Canada absolutely free, whereas they have a barrier of 18 cents a dozen against us? There is nothing to prevent them from sending eggs into Canada when they are ready.

Mr. ROBB: It would not make any difference if Australia had a duty of a dollar a dozen on eggs, for the fact is that eggs will not come into Canada from that country. Nor have any eggs entered Canada from Australia and New Zealand for some years.

Mr. EDWARDS (Frontenac): The hon. gentleman is wrong.

Mr. ROBB: The most recent importation of eggs in any quantity from New Zealand and Australia amounted, in the year 1921, to $6,844 from New Zealand and in 1922 $13,917 from Australia. Australia has a very limited quantity of eggs to export, and what eggs it does ship out are sent to the United Kingdom, which is also Canada's market. The fact is that Australia is an importer of eggs. The figures for the past five years show that 92 per cent of the eggs imported into Australia have come from China, while the bulk of the eggs exported from Australia come from New South Wales. The 1925 Year Book of the Commonwealth of Australia reports that in the fiscal year 1923 the exports of eggs from that country totalled 1,236,000 dozen and in 1924, 655,000 dozen.

Mr. MEIGHEN: What were the imports?

Mr. ROBB: I have not the imports.

Mr. MEIGHEN: Almost nothing.

Mr. ROBB: I am quoting the exports. The second half of the resolution reads:

Whereas the entry of Canadian eggs to the United States is prevented by reason of a tariff of eight cents

per dozen, this House is of the opinion that the welfare of Canadian poultrymen will be fostered by placing a duty on United States eggs entering Canada, equal to that on Canadian eggs entering the United States.

My hon. friend appears to argue that because the entry of Canadian eggs into the United States is prevented by reason of a tariff of eight cents, Canada is injured in consequence. But he seems to forget that the United States is itself an egg-exporting country. There again I submit he is not on very sound ground. The development of the egg industry depends largely upon the ability of the producer to sell fresh eggs, because fresh eggs receive the highest prices. The records show that the people of Canada are the greatest consumers of eggs in the world. In 1901 our average consumption per capita was 190 eggs, while in 1924 it was 313. For that reason, when considering the condition of the egg business, we must bear in mind both the producer and the consumer. The greater part of our imports of eggs in the shell come from the United States, and these importations take place during the winter months. The following table shows our imports from the United States.

Calendar year	Dozen
1923..	6,568,973
1924..	4,920,819
1925..	2,577,400

The hon. member will observe that our exports have dropped almost two-thirds. The figures I have just quoted will bear out the statement of the hon. member for Comox-Alberni (Mr. Neill) that our importations have been declining from year to year.

Mr. SUTHERLAND (South Oxford): Can the minister give us the importations for the three months of the present year?

Mr. ROBB: My hon. friend is over-hasty. He will have the floor in a few minutes.

Mr. SUTHERLAND (South Oxford): I thought the minister could give those figures to compare with the others.

Mr. ROBB: The greater part of these importations come in during the months of December, January, February and March.

Mr. CHAPLIN (Lincoln): Just when our prices should be highest.

Mr. ROBB: Has my hon. friend no regard for the consumer? The total importations throughout the year from the United States I have already given, and if hon. gentlemen will place alongside those figures the importations during the winter months, they will observe that what I have stated is correct, namely, that the bulk of those eggs come in during the four months I have mentioned. The following table will show this:

Year (Calendar)	Total U.S. imports Dozen	Winter imports from U.S. Dozen
1923..	6,568,973	5,742,148
1924..	4,920,819	4,862,199
1925..	2,577,400	2,484,993

My hon. friend from South Oxford wants me to give him the recent importations. The most recent figures we have are for the nine months ending December last. The imports during those nine months were 125,540 dozen, and during the same period we exported 2,425,643 dozen mostly to the United Kingdom.

Mr. EDWARDS (Frontenac): Were those exports to the United States?

Mr. ROBB: To the United Kingdom mostly.

Mr. EDWARDS (Frontenac): The minister gave the imports from the United States into Canada for certain years. Has he the figures there to complete the statement by giving our exports to the United States during the same period?

Mr. ROBB: What difference does it make where we export our eggs—

Mr. EDWARDS (Frontenac): I asked if the minister had the figures there to give. If he has not got them all he need do is to say so.

Mr. ROBB: What difference does it make where we sell our products if we sell them in the highest market and get the highest price for them? That is certainly what we are out for.

Mr. EDWARDS (Frontenac): My object was to find out if the minister could give our exports of eggs to the United States for the years he mentioned. That may not be of any importance to the minister but it is of some importance to me or I would not have asked the question.

Mr. ROBB: What occurs to me is that Canada is out to sell her eggs in the market in which she can get the highest price. As I say, during that period—

Mr. MEIGHEN: Will the minister permit me to ask a question?

Mr. ROBB: In a moment. Let me repeat that in those nine months we imported 125,540 dozen eggs from the United States and we exported 2,425,643 dozen to the markets of the world. Most of those exports went to the United Kingdom.

Mr. MEIGHEN: If it does not matter where we sell our eggs why was the minister so particular to tell us where we buy them?

Mr. ROBB: Because the hon. gentleman raised that question.

Mr. MEIGHEN: The hon. member raised the question but the minister would not give him the information.

Mr. ROBB: I did not have the information. My hon. friend knows very well that if I had the information I would be very glad to give it to him.

Mr. EDWARDS (Frontenac): May I suggest that if such is the case the minister might have said so.

Mr. ROBB: I have nothing more to say.

Mr. MEIGHEN: Do not say the matter is of no importance.

Mr. ROBB: I will admit with my hon. friend (Mr. Esling) that the industry is of considerable importance in Canada. In 1924 the total production of eggs in the Dominion was 212,648,685 dozen. During that year we imported from the United States 4,920,819 dozen. In 1925 our production of eggs increased. I suppose it was owing to the good policy of my hon. friend the Minister of Agriculture. In that year the production of eggs amounted to 224,778,867 dozen, and the imports from the United States had dropped to the extent almost of one-half from the imports of 1924—they had dropped to 2,577,400 dozen. In other words, our imports from the United States in 1924 amounted to just about 2.3 per cent of the production of eggs in Canada. Under the circumstances I submit there is no justification for the resolution. I contend that my hon. friend has not made out a case to warrant us in following the policy of the United States. We are exporters of eggs as well as importers, and the export trade of the country is worth considering.

Mr. BOYS: Can the minister inform the House what the importation of eggs has been for the last three or four years? If my memory serves me correctly since 1921 over 30,000,000 dozen eggs have been imported into Canada.

Mr. ROBB: I have no other figures than those I gave a few moments ago.

Mr. MEIGHEN: They are not very conclusive.

Mr. ROBB: I will admit at once that our imports are largely from the United States because it is the nearest country to us, I imagine.

Mr. MEIGHEN: What conclusion can be drawn from the figures that only give the imports from one country, and the minister who assumes to answer for the government has not the figures with him to tell what other imports there are?

Mr. ROBB: I imagine this discussion is quite out of order. I have been following the lines laid down in the resolution. What my hon. friend (Mr. Esling) complains of is the United States duty, and in my remarks in reply I have adhered strictly to the terms of the resolution.

Mr. MEIGHEN: The resolution calls for an increase in the duty all round.

Mr. W. F. GARLAND (Carleton): I am in sympathy with the resolution. It is true that there have been no importations of eggs from Australia, but that does not denote that there will not be any. The minister has stated that Australia imports eggs. That being the case there was a splendid chance to help our poultrymen when the Australian treaty was being negotiated.

Mr. ROBB: I do not like to interrupt the speech of my hon. friend but the Australian is no more ready to buy eggs that are seven weeks old under the guise of fresh eggs than the Canadian is. We do not eat that kind of egg.

Mr. GARLAND (Carleton): Yet he is buying eggs from China. In the face of an adverse duty of 18 cents a dozen there is no possibility of the Australian buying eggs from Canada. That is one of the chief reasons why the Australian will not buy them. But there is no reason why we could not send eggs to Australia under a proper tariff arrangement. The Minister of Finance (Mr. Robb) also stated that the increased production of eggs in Canada is probably the result of the legislation enacted by the present Minister of Agriculture. I think the former Minister of Agriculture had something to do with the regulations now in force.

Mr. ROBB: He did.

Mr. GARLAND (Carleton): And I feel sure that these regulations are in the interest of the poultrymen as well as in the interest of the consumer. The Minister of Finance has said that the egg forms the breakfast food of the nation. In other words, every person in Canada, according to the figures of consumption, is eating three-quarters of an egg per day. That represents from ten to eleven dozen more per year per capita than the consumption in the United States represents, and from ten to fifteen dozen more per year per capita than the consumption in Great Britain. I think one reason for the increased consumption is the high quality

of the Canadian egg, and the special care taken to see that the fresh egg is properly graded. There is no reason why we should not be able to increase our sales of eggs not only to our own people but to the United States and to other countries as well. We certainly can sell more eggs to the United States although the climatic and other conditions which attend production there seem to be in their favour. If there was an equalization of duty as between the two countries we could increase our exports and it would not make one iota of difference to the consumer as far as the price of eggs is concerned. In any event there would be a better chance for the Canadian poultryman to increase the consumption in Canada from three-quarters of an egg per capita per day to one egg. If we could increase the production of every hen in Canada so that she would just lay one egg a day more it would mean, at the current price we will say of 40 cents per dozen, an additional amount between fifty and sixty thousand dollars a year. That may not seem very much to some people but it is worth aiming at and it could be done. I firmly believe that through the medium of an equalization in the tariff the poultry industry would be helped very much without the consumer suffering any harm whatever. The minister has given the figures of imports of eggs from the United States. We might just as well have had a duty of eight cents on those eggs as to permit them to come into this country at three cents. Our treasury would have been that much better off; it would not have made any difference in the price to the consumer and it would have been a stimulant to the poultry industry.

I am very much in sympathy with this resolution, and I believe it is a step in the right direction. The duty should be reversed in order to accomplish what should be done for the poultry industry in Canada. As we are aware, practically all these eggs from the United States come into Canada during the months of December, January and February, the only season of year during which the Canadian poultryman gets a good price for his eggs. That point, I believe, should also be taken into consideration.

There are other things than eggs in connection with this poultry industry, baby chicks and so on, just as important as eggs and entitled to equal consideration, but those points can come up at some other time. I really think our duty should be at least equal to if not higher than the American duty.

Mr. HOWDEN: Will the hon. member permit a question?

Mr. GARLAND (Carleton): Certainly.

Mr. HOWDEN: Assuming that a duty of 8 cents a dozen would make American eggs prohibitive during the winter months, when we need them, where would the hon. member suggest we get our winter eggs?

Mr. GARLAND (Carleton): You could get them all right here in Canada, Mr. Speaker. The industry would be increased that much more; production would be that much greater, and we would be eating Canadian eggs.

Hon. J. W. EDWARDS (Frontenac-Addington): I am not going to take very long, Mr. Speaker. I rise merely for the purpose of completing the statement which I endeavoured to get the Minister of Finance (Mr. Robb) to complete. The Minister of Finance spent quite a bit of time in giving us the importations from the United States year by year, and I repeatedly asked the hon. gentleman to give our exports to the United States. He thought that did not cut any figure in regard to this resolution at all, but I propose to give him the figures. In the year 1924 we imported from the United States 6,454,000 dozen eggs and exported during the same year 141,379 dozen. I reason from that that the United States sent over 6,000,000 dozen eggs into Canada because we made it easy for them to do so, with a duty of only three cents, and that we sent only 141,000 dozen to help feed those 110,000,000 people because they made it difficult for us to do so by putting on a duty of eight cents. In other words, the United States—and other countries as well—have adopted the principle of giving to their own people encouragement in the production of those things which they themselves require. Every other government in the world except this remnant of a government has taken this course. It is a sensible course, and therefore one which we could not expect this government to follow.

Hon. S. F. TOLMIE (Victoria, B.C.): I would like to endorse the remarks of the hon. member for Carleton (Mr. Garland) with regard to this resolution. He is a gentleman with wide experience in the poultry business, and knows what he is talking about. With regard to the importations from Australia, if Australia is an importing country I should say that when the treaty was being negotiated, we should have applied to Australia for the privilege of entering that market with our eggs. If she is able to take eggs from China —eggs which are known largely by their odour —there is no reason why she should not learn to import good Canadian eggs which are far

superior to practically any others in the world. That we consume more eggs in Canada than in some other countries is due, in my opinion, to the fact that we have regulations here which place our eggs on the market in a fresh condition. As soon as they become a little stale they lose their popularity with the consumer, who knows what a fresh egg is like. I want to say also that Australia, developing its agriculture as it has been doing, may before very long be an exporter of eggs to Canada, just as the United States is at the present time. During the opposite season of the year, when we are not producing at home, they will soon be exporting eggs to this country.

The great disadvantage under which we are labouring at present in competition with the United States, where the duty is eight cents per dozen as against our duty of only three cents, is that during January, February and probably a part of December, when our eggs are produced at the very highest peak of the cost of production, the California hen, the Carolina hen, the Florida hen and the Texas hen are basking in sunshine and enjoying spring weather. Anyone familiar with the poultry industry realizes that under spring conditions you can produce eggs at a very much lower cost than under the midwinter conditions prevailing in Canada at that time of the year. Therefore the tariff against those eggs should be at least equal to the United States tariff, to place the Canadian producer on a good sound footing.

Looking at this proposition generally, in a protectionist country such as Canada, I cannot understand why the farmer should not be protected as well as everyone else. I cannot understand the reasoning which permits the expenditure of about $6,000,000 each year in developing a splendid Department of Agriculture—and I want to say that I think it is one of the best in the world—in developing our experimental farms; in carrying on egg-laying contests; in catering to the great world's poultry congress which is to be held here in 1927; in aiming to improve our poultry in every way and in inducing our farmers to stock up better breeds and so forth, and then leaves our market open to unfair competition. This is one of the vital points; if we have no markets to sell in we will have lost our greatest inducement to produce more eggs. In this connection I think we should follow in the footsteps of Australia, and protect our farmers here; we should follow the example of the United States, who did not hesitate at all to raise their tariff on butter to twelve cents a pound, when they began to come into competition with the Australian and New Zealand product. I strongly endorse the resolution, and I think the hon. member who introduced it is to be congratulated upon bringing this matter before the House.

Mr. DONALD SUTHERLAND (South Oxford): I would like to say a few words in this connection, Mr. Speaker. I thought two years ago, when the Minister of Agriculture (Mr. Motherwell) introduced his bill providing for a balanced ration for the Canadian hen, that we would not be troubled with any eggs coming into the country. That bill was to solve our difficulty, but apparently the balanced ration has not overcome the difficulty, and eggs are still being imported into Canada in large numbers.

The Minister of Finance (Mr. Robb) has evidently taken a great deal of trouble to look up statistics favourable to the position which the government have taken on this matter. I asked what I thought was a very reasonable question, in view of the importations which he gave for a number of years; my question was what were the importations for the three months of this year. He intimated that I would have a chance to speak on this matter, and he did not give the information asked for. For the benefit of those who do not know—because I am satisfied that the minister does know—

Mr. ROBB: No.

Mr. SUTHERLAND (South Oxford): The minister says "no"; I will withdraw that statement. The information has been given in the House, however, during the present session. There have been 2,620,644 dozen eggs imported, during January, February and part of March, with a value of $747,890. These figures were obtained a few days ago from the Department of Customs. That amount of Canadian money has gone out of the country to pay for eggs imported almost entirely from the United States. These figures do not include the eggs referred to as coming from Hong Kong and China, frozen eggs or broken and canned eggs, because 287,245 pounds of those eggs were imported into the country during those months, in addition to the figures I have already given. The principle on which our customs tariff is based is the thing we must consider. It is essential that we arrive at some understanding on the matter if we are going to have unity in this country and a contented people. You cannot afford to have a number of people enjoying a high degree, or a reasonable degree of protection in this country, and others having little or none at all; that is the basic

principle which must be settled by the people of this country and by this parliament before we can hope for the success and progress we should have and to which we are entitled.

Everyone knows that climatic conditions in this country are severe during the winter months, and that difficulties are encountered by those who are engaged in producing food products. Is it fair to people who have to contend against these natural climatic handicaps, and who have spent enormous sums of money in order to enable them to do so, that the government should encourage competition from countries more favourably situated in order to put our own producers out of business? Will the Minister of Agriculture say that the agricultural experts in connection with our various experimental farms contend that eggs cannot be produced successfully in this country during the winter months? I do not think he will. On the contrary, there is every inducement for the people of this country to engage in this business, but they are becoming so discouraged owing to the restrictions which have been placed upon them during the last year or two that they are quitting the business, and the minister will soon find that the egg importations into this country will greatly increase as a result.

Some few days ago I placed some questions on the order paper with regard to the egg grading which is in effect here, and I find by the answers that there are about fifteen different grades of eggs. The minister shakes his head. I will quote from the answer that was given to my question. There are in class (1), specials, extras, pullet extras, firsts, seconds; then in class (2), storage, preserved, extras, firsts, seconds, cracked and dirty. You have all those different grades of eggs, and I venture to state that there is no one engaged in poultry raising in this country who could satisfactorily explain why all these regulations are in existence, but the dealer in eggs can explain. The pressure has been brought to bear by the packers who are grading these eggs, with the assistance of the government graders, and who are receiving the benefit of these extras and extra specials, while the producer receives little benefit from these grades. It is true that in a few instances the producer benefits, but in the main you will find that it is the packer who is reaping the benefit from the regulations provided by the minister.

With regard to some of the arguments which have been advanced, particularly by the hon. member for Comox-Alberni (Mr. Neill), I remember when the Australian treaty came up it was pointed out that the government might have obtained some concessions
5 p.m. from Australia in connection with this matter, but the voice of the hon. member for Comox-Alberni was not heard at that time. On the contrary, I believe he shirked his vote on that occasion, for his name does not appear in the records at all, which shows the interest manifested by him at that time. Mr. Speaker, this is a very important question, and I am inclined to think that even the Minister of Finance himself, when some other question comes up, takes the view that we should protect ourselves, because I have here a clipping from the Ottawa Journal of March 5, 1925, headed "Use Tariff as Club on U.S., Mr. Robb Hints," which reads in part as follows:

> "If the Americans put up a prohibitive tariff against our agricultural products, why shouldn't we put up a tariff against some of their products?" Hon. J. A. Robb, Minister of Finance, asked a delegation from the Canadian Council of Agriculture, which waited upon the government this morning. "The government needs to have some club to handle these fellows," he said.

That is the statement attributed to the Minister of Finance, and that is all this resolution asks for. The tariff is very low in any event, and it is quite apparent that agriculture is suffering, and suffering seriously, for want of a reasonable degree of protection. I think the suggestion contained in the motion is one which should be adopted by this House. Until you realize that some consideration must be given to those who are engaged in agriculture in this country, you may rest assured that we will continue to experience the difficulties with which we are now confronted in trying to persuade people to stay on the land. It is true that a great many of them are there and cannot get away, but they are subject in many instances to most unfair competition that is costing this country many, many millions of dollars annually to supply our people with the food products that ought to be supplied to them by the farmers of this country. It is no wonder that a revaluation of the soldier settlers' land has had to be provided for, and that other means are being adopted by the government in order to meet the situation with which we are confronted. Why not adopt the fair and sensible measure which will encourage production, rather than attempt to deal with the resulting situation by means of bonuses, old age pensions, and things of that kind? The country is all right; the people are all right if you give them a chance. If the Minister of Agriculture will only strike out these regulations and restrictions which he has imposed upon the people, and remove the

army of inspectors and graders which he has turned loose on the country, conditions, I feel sure, will be much more satisfactory. I find that last year, for instance, $79,174 was paid out to these inspectors whom the Minister of Agriculture has going around the country, chasing people who are engaged in poultry raising and the production of eggs, worrying and heckling them on every hand. Oh, yes, if we purchase eggs from the United States, China and Hong Kong, it is all right; the minister contends that the consumer must be first considered. Has he no word of sympathy for the producer? Is no consideration whatever to be extended to him? Apparently it is all right to send our good money out of this country to buy goods in the United States, in China, and elsewhere.

Mr. Speaker, I am heartily in favour of this resolution, and it is high time the government took some action with regard to agriculture in order to protect those who are engaged in this industry from the unfair competition which they are meeting on every hand.

Mr. JOHN EVANS (Rosetown): Mr. Speaker, the resolution brings up a very wide question; in fact, it has to do with the production on the farms of all the lines which we are raising at the present time and trying to find a market for.

The resolution suggests that eggs are being dumped into Canada. Now dumping at one time did mean that foods were being sold cheaper for export than for home consumption in the country of origin. We are now giving to the Minister of Customs full power in the matter of the appraisement for customs purposes of all natural products entering this country. It might be something for the consumer if he could buy foreign produce at dumping prices, but such is not the case. The distributing combines to-day are the only ones that benefit by cheap imports.

The Australian treaty has been mentioned. I might say that trade treaties are a feature of protection all by itself, but the agriculturists are only asking to-day the right that other classes enjoy, the right to buy and sell where they can to the best advantage. The fact that the United States impose a duty of eight cents a dozen on eggs does not debar Canada from exporting eggs to the United States, and does not in the least concern Canada, because the distributing combine in the United States raises the price of the product up to that level.

Mr. LADNER: Does the hon. gentleman say that is a fact?

Mr. EVANS: Yes; I will prove it as I go along. It is just as easy for a country that can raise its produce according to world prices to get over a high tariff wall as to get over a low tariff wall, because the price in that country is raised to the level of that tariff above the world price.

Mr. LADNER: Theoretically.

Mr. EVANS: Yes. It is unfair to the producers of all natural products in this country to place the manufacturing, and particularly the distributing combine, outside of competition. I believe the distributing combine has become in Canada during the last few years the most tyrannical of all, even surpassing the tyranny of the manufacturers in price-fixing powers. These combines are placed entirely outside of competition, and thereby raise the cost of production to a point where we cannot compete. Were it possible to-day for the producers on the farms of Canada to buy commodities at world prices, the Canadian farmer need fear no competition from any country whatsoever. The one great detriment to production in Canada of all lines is the high cost of production. That is what the mover of the resolution is feeling to-day in the production of eggs raised through the artificial or price-fixing power of the combine. There has never been in Canada yet any relation between the price of products as they leave the farm and as they fall into the hands of the consumer. There is no relation between the two to-day and never has been. The prices paid by the city man for commodities derived from the products of the farm, such as flour, rolled oats and so on, bear no relation to the price received by the primary producer. Why? Because we have placed the distributing combine entirely outside the pale of competition. He has the price-fixing power, and the importation of any quantity of eggs or butter from China or Australia, does not mean that the consumer will get these products at a cheaper price. The distributor or the middle man has the price-fixing power in regard to these things, and whether they are raised in our own country or not, the cost of living is kept to the height of the tariff.

That is the one great obstacle in the way of production, including manufacturing. Production in all lines in Canada is placed out of competition, and therefore taken out of the line of world prices. The agriculturist has to find his market outside of Canada. He has to look to the export market to find his revenue, and the export market will have to be his market for many years to come yet. The home market which our friends here bring to the front so often is simply a joke, so far as

the farmer of Canada is concerned, and I defy anyone to say how we are to be protected. The price of eggs is affected by the cost of production and the placing of the middleman outside the pale of competition.

Mr. LADNER: Does the hon. gentleman say that the home market so far as eggs are concerned is a joke, and did he ever hear a poultryman make such an assertion?

Mr. EVANS: Taking agricultural production in general—yes, it is a joke. I say it is a fallacy to look to protection or an increase in the duty on anything to remedy the situation to-day, and I will say that the tariff is a fallacy, apply it on what you please, and that it drives the cost of production and the cost of doing anything out of line with world prices. Even if Canada wanted to become a manufacturing country, even if we hope to compete with the United States—and we can—the only thing to do here is to lower the cost of production. This is the reason our young men are leaving us to-day. This is the reason that the most enterprising, the smartest young men and women are crossing the border, or going to Europe or somewhere else looking to freedom for their own enterprise and the qualities that they inherit.

Mr. MEIGHEN: Who is going back to Europe?

Mr. EVANS: Many are going back to Britain, and I might say for the information of the right hon. gentleman that a friend of mine visited England last year. He was in the city of Hull. There was a football match there and the crowd seemed to be going to it. My friend said to one of them, "How far are the football grounds from here"? And the man replied, "Come with me and I will show you. You are a stranger?" And my friend replied, "Yes I am from Canada." The man said. "What is the matter with Canada?" Well, he said, "It might be better than it is, perhaps"; and the Englishman said, "I thought so." He said that on every boat going into the port of Hull there were half a dozen stowaways all coming from Canada, that they were all lined up by the bobby every day, taken before the beak and given a month of hard labour, and they all went to their doom with a smile. This is a fact. Canada is to-day becoming a by-word.

Mr. LADNER: How long ago was this?

Mr. EVANS: This was a year ago last summer. Look at the United States, the country we are supposed to emulate, the paradise of the protectionist, what is it? The United States to-day is following the same old method of concentration of wealth and industry The States cities are being built up at the expense of the agriculturist, and I do not need to quote any better authority than Professor Macey Campbell of the Iowa University, inspector of education. He said in three blocks in Chicago he saw better homes—homes occupied by men who were earning more wages—than he had seen in an eight hundred mile drive through the two Dakotas. More than that, he said that he saw white men and white women working in the fields bare-footed trying to keep themselves above the line of want. In five states in one year 125,000 farmers were foreclosed. Does that bespeak prosperity? All it bespeaks is this, and I want the right hon. gentleman to pay attention—

Mr. MEIGHEN: I am paying attention.

Mr. EVANS: It bespeaks the concentration of wealth and industry in the hands of a few and a price-fixing power which they should not have.

Mr. MEIGHEN: Has the hon. member any information about stowaways going back to England from the United States?

Mr. EVANS: I am not supposed to know everything. I think it is enough to know what is going on in our own country; never mind the United States. Canada is one of the best countries in the world; we are perhaps blessed with more natural resources needed for the manufacture of goods than any other country on earth. Canada ought to be the cheapest country in the world to live in, but as a matter of fact it is the dearest country on earth to-day with perhaps the exception of the United States in some lines. The cost of living has gone up in Canada to such an extent that even the manufacturers themselves find it impossible to use our own natural resources. That is a very serious state of affairs. We find it necessary to give them free trade; in fact they are the only free traders in Canada. They claim the right to scour this world for raw material and then we give them and the middlemen as well a price-fixing power. The fact of the matter is that the cost of production is put out of line entirely with world prices. We need not look to the tariff for any benefit. Even if every farmer in this country is given protection under the tariff, the old ring will soon be completed again, the cost of living will go up and he will find it just as hard to compete as he did before. The thing is a fallacy from beginning to end and I suggest the right hon. gentleman should take this to heart.

Mr. J. J. E. GUÉRIN (St. Ann): Mr. Speaker, it may seem rather anomalous for me representing one of the urban districts to take part in a debate which pertains almost exclusively to agriculturists. We have heard a great deal about protection, about the protection of agriculturists, but at the same time why should we not think a little of the protection of the consuming public whom we city members are elected to represent? I have not seen any slump in the price of eggs during many years. From my experience and from what I hear and read in the press the price of eggs throughout the winter season is always over the dollar mark per dozen, which I think is a very lucrative price for a common article of diet. I had no idea that the consumption of eggs amongst our people was as great as the Minister of Finance (Mr. Robb) told us it was. Agriculturists might do a little better if they were to improve their grade of hens. Only recently, I had an opportunity of visiting the agricultural college at La Trappe and there I found hens called the Chanticleer, hens which laid practically every day, over 300 eggs in the year. The matter is simply one of cultivating the hen and bringing about a proper breed in order to have a more prolific crop of eggs.

What I rise particularly to dwell on is the question of public health in regard to eggs. We hear of eggs being imported from Australia and China. Anybody knows that such eggs are unfit for human consumption and if such eggs are imported, especially in bulk, it is nothing short of criminal to allow them to be put on the market for human consumption. When I was mayor of Montreal in 1911 I remember a consignment of Chinese eggs arriving in that city, which were examined and found to be practically putrid. The Board of Health endeavoured to stop their use and the importers sued the city for interfering with their business. Naturally, in all things litigious the wheels of justice grind very slowly and these eggs were sequestrated for several months whilst the learned judge was coming to a conclusion as to whether they were fit for human use or not. Finally, after several months, he concluded that, for sufficient reasons, the city had no right to confiscate the eggs, and we at once proceeded to seize the eggs more effectively in order to have them destroyed at the public dump. But what was our amazement when we found that the eggs had been taken away in some manner that I do not understand, through some of the intricacies of the law, and had been sold to confectioners and others, so that we felt that we had eaten all those eggs.

[Mr. Evans.]

If there is anything that we should do more than another it is absolutely to prohibit the importation of eggs in bulk. There is no more prolific medium for the development of micro-organisms than the albumen of eggs, and we know perfectly well that when, in these oriental countries, eggs are broken into cans which are sealed up and sent thousands of miles away for the consumption of white people, the same precaution or trouble is not taken as if the orientals were going to eat the eggs themselves. One rotten egg in a barrel of eggs is sufficient to make the whole barrelful rotten inside of a week or two.

Mr. ESLING: Does the hon. gentleman remember that the statement was made on the floor of this House, I think in January, that there were seventeen carloads of Chinese eggs in storage in Montreal?

Mr. GUERIN: I was not present at the time. It may have been said. I hope, however, they will be used for manure purposes to increase the fecundity of the ground in order that we may grow more grain to feed the hens that will lay fresh eggs. I would not advise the use for human consumption of the eggs to which the hon. gentleman refers. There is no doubt that in dealing with the question of contamination we cannot be too careful in regard to eggs, especially those imported from another country. These eggs come to us in bulk, bringing with them probably some germs of disease of which we know nothing and which we never suspect, so that we run the risk of infecting all our people. We remember that during the year 1917 we had a visitation of a disease which we called Spanish influenza or grippe. It was not grippe at all, nor was it influenza in the ordinary acceptation of that word. It was some imported disease which I firmly believe came from the Orient; it bore all the earmarks of the bubonic plague. Where did it come from? We know that mingling with our soldiers there were Chinese, Japanese and other orientals who might have carried the germs of the disease with them. I ask, therefore, is there anything more menacing than the importation of these oriental eggs in bulk? To me it is unspeakable; it is something that should not be tolerated. Not only should there be a high duty on eggs coming in bulk, but they should be absolutely prohibited.

Now, I am in favour of protection—protection for the people of my constituency. I want to protect them against the high cost of living, so that they may be able to buy reasonably eggs, of which they use large

quantities. I want to protect the fathers of families of ten and fifteen children, such as we have in Montreal and in the province of Quebec generally. It is imperative that these children be given wholesome food. We should therefore put every facility in the way of their fathers to get eggs, among other things, at a reasonable price. An increase of five or eight cents a dozen on eggs would make them prohibitive to the father of a large family, and I am not in favour of that.

In the debate this afternoon some hon. gentlemen seemed to favour a tariff as a means of retaliation, while others to whom I have listened want a tariff for the purpose of protecting the farmer. I am quite sympathetic with the farmer but I am more sympathetic with the public in general. In any case I do not believe in legislating for the sake of retaliation; I do not think any good comes of such legislation. Whatever laws we pass we should enact with a view to benefiting our people in some way or other, and I do not see what benefit can accrue from legislation that is framed merely for the purpose of hitting back; nor do I believe in legislation which will result in misery to the greater number of our people. For these reasons I purpose voting against the proposition. I feel that the interests of the majority should be safeguarded and I believe that a proper system of inspection and an absolute prohibition of eggs in bulk would be a step in the right direction.

Mr. MALCOLM McLEAN (Melfort): This is an interesting resolution, the discussion of which may prove of value to the House and perhaps to the country as well. It seems to me that before parliament is asked to pass a resolution having for its object the remedying of a certain condition of affairs, we should have some evidence as to the cause of that condition. Very little has been said to-day about the causes of the alleged condition of the egg-producing industry in Canada. The hon. member who proposes the resolution (Mr. Esling) comes from British Columbia, and another hon. member who has spoken in favour of it also represents a constituency in that part of the country. I am led to believe that the poultry industry of British Columbia is an important one which is suffering from disabilities with which the people in other parts of Canada are perhaps not familiar. We find therefore, from time to time, that many resolutions are introduced in this House and discussed by members from British Columbia who are interested in the production and marketing of eggs. To me it seems but reasonable that before any action is taken, such as is proposed in this resolution, we should inquire of these members the reasons why, from a province like British Columbia where the climatic conditions are favourable and where many other conditions conduce to the successful raising of poultry, such as cheap material for buildings, the complaint comes most often that something must be done to remedy the evils existing in the egg market.

Mr. NEILL: Dear wheat.

Mr. McLEAN (Melfort): The hon. member for Comox-Alberni (Mr. Neill) has anticipated a question I was about to put as to the high cost of production. He says that it is due to the high price of wheat, by which I presume he means the high price of feed generally. In my opinion, if the basic conditions in this industry are as they have been stated to be, and if care is exercised in the production and sale of eggs, the results should be reasonably satisfactory. If the various conditions surrounding the poultry business are as they ought to be, including climate, distribution, and so forth, I see no reason why the industry should not succeed.

The hon. member for Comox-Alberni touched briefly in his remarks on the cost of feed. He said that certain reductions had been made in the freight rate on grain going through British Columbia for export, and he contended that reductions should be conceded in the freight on grain going into that province for home consumption. When the hon. member made the first remark, to the effect that the remedy would be found in part to consist in a reduction in the rates on wheat, I applauded for the reason that I felt the statement was in line with something that should have been done many years ago. I observed that some of my Conservative friends across the way smiled when they heard me applauding, as though they thought, "Here is another of those representatives from the west insisting on a reduction in the freight rate on the things they want to sell." Now, that was not the idea I had in mind at all. I was merely thinking that a reasonable and fair rate should be fixed, for the benefit of Canadians living in British Columbia, on the grain they have to buy in order to keep one of their industries going. There should be given to them a freight rate just as fair and reasonable as that which applies to the wheat or other grain produced on the western prairie or elsewhere in Canada and consumed by the people of China, Japan or Europe. That should be adopted as a fair and reasonable principle provided it costs no more for the railroad to

bring to Vancouver a carload of grain destined to be fed to poultry in British Columbia, than it does to haul a carload of grain bound for the Orient or other world markets. Given that condition, I see no good reason why grain should not be moved at the same rate. It may be that the railroad officials could defend the existing rates. I am perfectly satisfied they could; but on the basis of fairness and common sense I see no good reason why those rates should not be adjusted.

The hon. member for St. Ann (Mr. Guerin) mentioned another condition that is absolutely necessary in connection with the raising of poultry or any other kind of stock, namely, that the right strains of poultry only be kept and brought up to their highest efficiency. Given these basic conditions—that is to say, the use of the best egg-producing strains of fowls, fed at the lowest prices which world market conditions permit; the favourable climatic and other conditions that are characteristic of British Columbia, and the concession of reasonable distributing and marketing facilities—there is no reason in the world why British Columbia should not produce and market eggs in competition with any other part of the continent. In considering the necessary facilities I have reference not only to climatic conditions but also to cheap material for the erection of buildings, the long season out-of-doors, and cheap electric light in the poultry houses to extend the period of laying.

Some hon. members referred to eggs produced in Florida, Georgia, and other southern states. I do not think poultrymen in British Columbia or elsewhere in Canada need fear the competition of the hen in the southern states. The great bulk of the soil of Florida, and I believe the same is true of Georgia, is impregnated with pure sand, and there has to be considerable outlay in enriching that soil before it can be made to yield the green stuffs or other foods necessary for the production of eggs. Then the cost of transportation to the northern market has to be borne in mind. Furthermore there is the disability under which the hen lives in hot weather. I am satisfied that any poultry producer in the House would probably admit it is harder to overcome the handicap of hot weather in the case of poultry than it is to overcome the disability which results from cold weather Providence seems to have provided the chicken with feathers suitable for defence against a cold climate, but I do not know of any provision of nature which gives it relief in a hot climate.

[Mr. McLean.]

Mr. GARLAND (Bow River): Why not provide the hen with rubber boots and snowshoes?

Mr. McLEAN (Melfort): Sometimes we equip the sled dogs in northern latitudes with moccasins but we have not yet reached the stage where we make such provisions for hens.

Taking the facts which I have enumerated into consideration—climatic conditions, the cost of feed, and the cost of transportation—I think it would be well for hon. members to rid their minds of the impression that competition from the southern states by reason of milder weather in the winter and hotter weather at other times of the year is going to run the Canadian hen off the market. There is of course the further fact that the time consumed in bringing the southern eggs to the northern market would make them far from "strictly fresh" eggs when they landed here. I am firmly convinced that if feed of all kinds can be provided for the British Columbia poultry raiser at reasonable prices, through a fairer freight rate, it will be of great assistance to him. In the winter he is able to raise green stuffs and to feed his poultry out-of-doors. He has that advantage over the producer on the prairie or in the east. I also think that if the poultry producers of that province adopted the principle of co-operative marketing they would find it a decided advantage.

Before passing on to another phase of the question I should like to express my appreciation of the suggestion made by the hon. member for St. Ann in that no eggs in bulk that are unfit for human consumption should be allowed into this country for that purpose. If such importations are bad for the people of this country they should be absolutely excluded; there should be no tinkering with the matter. On the other hand, if eggs in bulk are good for our people they should be allowed in as freely as possible consistent with justice. It is possible that such eggs may be needed as raw material in certain lines of industry, in which case I would allow their admission provided their use is confined entirely to the object intended.

In conclusion may I be permitted to quote a few figures from the commercial page of the Ottawa Journal of March 31:

> Western eggs are rolling to eastern points in large quantities. No price changes are reported to-day.

"Western" eggs, it will be noticed, not southern eggs or Chinese eggs.

> Toronto: Country shippers are making sales extras 34 to 35, firsts 30 to 31, seconds 24 to 26. Prices to retailers extras 38 to 39, first 34 to 35, seconds 29 to 30.

Montreal: Dealers are paying country points delivered, extras 33, firsts 30. A car was sold in Winnipeg for shipment here extras 32½, firsts 28½, seconds 26.

Winnipeg: Three pooled cars are rolling to Montreal, costing extras 33 to 34, firsts 28½ to 30, seconds 25 to 26 fob. Prices to retailers extras 35, firsts 32, seconds 27.

That is from Winnipeg, one of the points in what used to be considered as the frozen west. There has been very little agitation there for any extra duty on the few eggs coming into this country. Here is a report from Calgary:

Calgary: Dealers paying country shippers extras 24, firsts 22, seconds 17.

The report from Winnipeg of the pooled cars illustrates what I said a moment ago, that producers were getting together for their own protection and not asking favours from anyone. They are undertaking to put their products on the markets of the country in the best possible condition. The quotations go on:

Edmonton: Country dealers are making sales extras 24, firsts 22, seconds 17. Prices to retailers extras 32, firsts 30, seconds 25.

Saskatchewan: The markets are firmer and receipts during the past week have been light due to bad road conditions. A car is rolling east from Moose Jaw costing extras 31, firsts 27, seconds 23 fob.

As you get further west prices apparently get lower.

Vancouver: Dealers paying country shippers extras 24, firsts 22. Jobbing extras 28 to 30, firsts 26 to 28, seconds 22.

Mr. NEILL: May I ask the hon. gentleman a question?

Mr. McLEAN (Melfort): Certainly.

Mr. NEILL: Does he consider 24 cents a dozen a fair price for eggs produced in British Columbia, in view of the high price of wheat and so on?

Mr. McLEAN (Melfort): I certainly do not, in view of ruling prices elsewhere in Canada, but I consider that the best thing to do is to reduce the cost of production and not add to the cost of selling the article. It is better to repair the foundation first before you remedy the defects at the top of the steeple. The quotations go on:

St. John: Country dealers are making sales extras 39, firsts 35, seconds 32. Prices to retailers extras 43, firsts 40, seconds 35.

Then we come to Chicago, and what do we find there?

Fresh spot 28¼, April 29-1/8, May 28¾, December 32-5/8.

Then we have New York, in the country to which, according to hon. gentlemen opposite, all the wealth of this country is flowing, and everyone is prosperous. If that be true, New York of all places should be the haven of rest for the producer of eggs, and the New York quotations are:

Extra firsts 29¾ to 30, firsts 28¾ to 29½.

As against that I notice in another quotation that in Montreal fresh extras are worth 40 to 41, and fresh firsts, 36. These are reports in the Ottawa Journal of to-day. I am not vouching for their accuracy at all, but that is as they are printed. In view of these facts I would suggest that anything that could be done by members of this House or by the government to help the producers in British Columbia, by making conditions under which they carry on their industry more natural and less artificial, would be in the interests of that province and of the Dominion as a whole.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The hon. gentleman is very generous in his advice to the egg producers of British Columbia, and while I do not make any comment on the quality of the advice, the quantity is such as one would not expect from one who resents it very much when applied to his own class of production. The wheat farmer is ready to chide any who tell him how better to produce his grain, what he really needs, or how better to farm. While he is in that mood he does not add to the strength of his case or to his popularity by giving the advice which he declines to accept from others. We are faced with statistics just quoted to show that eggs are very cheap—22 cents, 24 cents, 26 cents, and so forth—following the speech by the hon. member for St. Ann (Mr. Guerin), who told us that the people of Montreal had to pay $1 a dozen in the winter time.

An hon. MEMBER: In certain seasons.

Mr. MEIGHEN: The season is not very far removed when eggs were that price. Is it not remarkable that with a condition of affairs under which the Canadian market is invaded by foreign eggs, resulting in a lower price at a time when it is essential that the price be high, the whole situation is met with the suggestion that we ought to have cheaper freight rates for carrying the grain to the egg producer; the poultryman ought to know better than to raise the kind of hens he has been raising, and should get the 300-eggs-a-year hens; he ought to get cheaper electric lights, so the hens can see to lay—everyone else ought to do something, other than affect any government policy.

Mr. McLEAN (Melfort): Will the right hon. gentleman permit a question? Did he understand me to advise the farmers of British

Columbia to get cheaper lights and cheaper material, or to say that they were already in possession of them?

Mr. MEIGHEN: I understood my hon. friend to say they ought to get cheaper lights. I do not know what he meant, and I do not know what we can do about it.

Mr. McLEAN (Melfort): I did not say that. I said the egg producer was already in possession of cheaper lights and cheaper building material, not that he should get them.

Mr. MEIGHEN: I do not know that it makes very much difference.

Mr. McLEAN (Melfort): Yes it does; it is not advice.

Mr. MEIGHEN: I think if the hon. member will look up Hansard he will be rather surprised at what he finds the reporter has taken down. All this is offered by way of explanation of the existing state of affairs and by way of advice as to what should happen through one source or another. But is not the matter rather simple so far as the policy of parliament is concerned? We must either have a protective policy in Canada or not have a protective policy, and if we have a protective policy we must apply it to all classes. Surely that is the subject raised in this resolution. As to which we should have, I despair of converting—or at least bringing to articulate conversion—hon. members from Saskatchewan. Their minds may be affected but if they are they will never admit it.

Mr. McINTOSH: Does the right hon. gentleman think he will ever get it to apply to Canada as a whole?

Mr. MEIGHEN: Apply what?

Mr. McINTOSH: The right hon. gentleman's policy.

Mr. MEIGHEN: Undoubtedly; it is applied to-day with such force that hon. gentlemen cannot avoid it. It has applied for forty years and it applies to-day. I warn hon. members from Saskatchewan—and I might include hon. members to my left—not to be too pronounced on this subject; do not put yourselves on Hansard in too forceful a fashion; you never know when you may be called upon to vote in exactly the opposite way. Hon. members to my left did not run that risk so much in the last parliament, but they are running it now, and hon. members from Saskatchewan are running it also. Let me take their minds back. Only a few years ago the leader of the Liberal party declared strongly for free food, clear of customs duty. We have never had the reduction of a fraction of a nickel on any food since, and those who proposed the free food policy are called upon to pay as much as ever.

Mr. McLEAN (Melfort): Would the right hon. gentleman permit a question?

Mr. MEIGHEN: Make it pertinent.

Mr. McLEAN (Melfort): The right hon. gentleman has been complaining about the reductions effected by the Australian treaty on foodstuffs and now he says there has been no reduction.

Mr. MEIGHEN: There has been a reduction in duties affecting Australia, but is that a move towards free food? No, that is just a move towards a better sale of automobiles and a better sale of paper and pulp in Australia. That was not done to reduce the price of food; it was a concession made at the expense of the Canadian farmer, in order to serve other interests, and the hon. member knows it. No, at the convention you had that resolution, and how it was thundered on the stump in Saskatchewan and Manitoba, and everywhere else where it was considered popular, and how much of that have we in effect to-day? Not a particle. But the members who thundered it and lauded it to the skies now come into this House and vote for the government that will not take one step in that direction.

The budget is coming this session, and I ask hon. members to be very careful; they do not know what they are going to be called on to vote for in that budget. This government is capable of anything in the way of a convolution—anything at all—and they will have to support it. This government, if it felt it could sustain its position another hour by putting the duty on eggs up to eight cents a dozen, would do it and never turn a hair, and hon. gentlemen would come up and vote for it; they would have to. Consequently, it is always wise in this House, especially under present conditions, for hon. gentlemen supporting the administration to be very careful in their commitments on Hansard. Hon. gentlemen have learned that in days gone by. Those who have come into this parliament perhaps have not had the opportunity yet; their experience has not been so bitter, but it is certain to come. We know that in this country we have either to maintain a protective policy, or permit the labour wage in Canada to fall to the level of other countries in the world.

Mr. McPHEE: Was the hon. gentleman referring a moment ago to a change of mind

on his own part from his resolution and speech in 1911?

Mr. MEIGHEN: Not a particle. Hon. gentlemen have been quoting that speech for ten years, and the quotation is usually the best part of the speeches they have delivered. That speech was a confirmation from beginning to end of the protective principle and its application, but the protective principle does not mean that every time you touch the tariff you must raise it. No, see that it is left conformable to the protective principle, but it must still mean protection for industry in this country. We must submit to one of two alternatives: a Canadian wage scale as low as that of any other country where the competing article is produced, either that or the protective system. Those who choose the first, let them consistently follow it through, but those who choose the second, let them follow it through with equal consistency and apply it to all classes of Canadian production.

An hon. MEMBER: It can't be done.

Mr. MEIGHEN: The protective system is one that, to the utmost that it can be done, applies the protective principle to every branch of industry in the country. It cannot be done with equal application to all; that cannot be done in any country in the world. The bigger the volume of export compared to home consumption, the less can it be applied, but to every industry it can be applied to a degree, and to all vital industries it can be applied with beneficial results. But the system must be adopted, no matter whether it falls unevenly in its benefits or not, or you must submit to the condition of a wage scale in this country as low as that of any other country where the competing article is produced. If you are going to do that, are hon. members going to vote to expose the Canadian farmer in his home market to world competition, and then tell him to get light for his hens and raise a better breed, and get cheaper freight rates to carry grain to his hens? The hon. member for Melfort (Mr. McLean) should recall that his newly chosen leader, the crown prince from Saskatchewan said just a few days ago that you cannot get reduction of those freight rates. In the face of that statement, surely the members from Saskatchewan are not going to come here—

Mr. McLEAN (Melfort): The hon. gentleman has asked me a question. The Minister of Railways stated that there would be no general reduction, but an equalization where there was injustice.

Mr. MEIGHEN: The equalization the hon. member asked for was a reduction.

Mr. McLEAN (Melfort): Mr. Speaker—

Some hon. MEMBERS: Order, order.

Some hon. MEMBERS: Six o'clock.

Mr. MEIGHEN: The hon. gentleman was trying to take up time and he was very shrewd in doing it, because his own speech was in an awful condition. It is nearly six o'clock, but I must finish at least the sentence. If you cannot have these things, if you cannot have them to any extent that would be appreciable at the price, what is the use of bringing that in as a smokescreen to becloud the issue? You have either to give the farmer protection or not, and if you are going to give it him, give it him on a parity with all other classes of people.

ROYAL ASSENT

Mr. SPEAKER: Before I leave the chair, I wish to read the following communication which I have just received from the Governor General's secretary:

Ottawa, 31st March, 1926.

Sir:

I have the honour to inform you that the Right Hon. F. A. Anglin, acting as Deputy of the Governor General, will proceed to the Senate chamber at 4.15 p.m. on Wednesday the 7th of April, for the purpose of giving the royal assent to an interim supply bill.

I have the honour to be, Sir,

Your obedient servant,

A. F. SLADEN,
Governor General's Secretary.

To The Hon. The Speaker of the
House of Commons, Ottawa.

This letter follows the one I read at the opening of the sitting this afternoon.

At six o'clock the House adjourned, without question being put, pursuant to rule, until Tuesday April 6.

Tuesday, April 6, 1926

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 18, to change the name of the Dominion Express Company to "Canadian Pacific Express Company"—Mr. Fournier.

PRIVILEGE—Mr. KENNEDY

STATEMENT REGARDING IRREGULARITIES IN PEACE RIVER ELECTION

On the Orders of the Day:

Mr. D. M. KENNEDY (Peace River): Mr. Speaker, I rise to a question of privilege.

On April 2 there appeared in various newspapers reports of the trial of Baldy Robb at Edmonton, Alberta. He was charged with and convicted of irregularities in the performance of his duties as deputy returning officer at No. 4 poll, near Brule, in the Peace River constituency at the federal election on October 29 last. Mr. Justice Walsh presided at the trial and is reported in the Edmonton Journal of April 1 as having said when addressing the jury:

> The fraud which was alleged to have been perpetrated was one of a very serious character. In all the history of the Dominion there has never been an instance of such a glaring attempt to deprive citizens of their rights as voters. If this was true, then ninety voters had been deprived of their franchise. Mr. Collins had been deprived of his seat in the Dominion parliament, and the people of this riding had been deprived of their rights in having a man of their choice to represent them at Ottawa. . . . There was the evidence of the 111 people who had sworn that they voted for Collins on that day. This was the foundation on which the crown had built their structure. There was a possibility that these people might have committed wholesale perjury. Personally, said His Lordship, he found it hard to believe that a number of apparently respectable people like these had perjured themselves through fear of their employers.

In order to appeal to my sense of fairness the Ottawa Journal on April 3 in an editorial headed "Should Mr. Kennedy vote" strips this statement of Justice Walsh of all qualification, and makes this statement:

> The fraud which was perpetrated was one of a very serious character. In all the history of the Dominion there had never been an instance of such a glaring attempt to deprive citizens of their rights as voters. Ninety citizens had been deprived of their franchise.

The words "If this was true," and the reference to the possibility of wholesale perjury are omitted, and then the editorial is built up to convince me that I have no moral right to sit in parliament or to vote for or against government measures. I intend to do both.

The statement of Mr. Justice Walsh, even if it were as the Ottawa Journal has it, was made at a trial held in connection with one poll out of 278. I claim now and have claimed ever since the early part of November that other irregularities in Peace River cost me more votes than the alleged switching of ballots at Brule cost Collins, even assuming that none of my ballots were switched at that point. The final results of No. 4 poll were: Collins (Conservative) 22; Kennedy, 12; Rae (Liberal) 127. It would therefore appear from the evidence that 89 votes were switched to Rae. I was elected by a plurality of 17 votes over Collins and 41 votes over Rae.

Six neighbouring polls in one district had all the election machinery set up and ballot boxes mailed addressed to the deputy returning officer, but no deputy returning officers had been appointed. Three of these polls through the initiative of the people themselves were opened and the total results were: Collins, 15; Kennedy, 114; Rae, 15. The other three boxes remained in the nearest post office all day but no poll was held. At the latter three polls 225 persons had the right to vote. Many of them went to look for the polling place and of course found none. My information is that the vote there would have been divided similarly to the vote at the three polls that were opened.

The recount in Peace River was completed on December 19. A representative of the Conservative candidate asked me if, in view of the Brule situation, I would not consent to go through the first session of parliament and then resign. I told him at once that in my judgment owing to other election irregularities I had lost at least as many votes as Collins and that the proper course to follow, if they were not satisfied, was to petition under the Controverted Elections Act.

Mr. MEIGHEN: Would the hon. gentleman tell us the name of that gentleman?

Mr. KENNEDY: Mr. Milner who was acting for Mr. Collins. Instead of this they appealed to a Supreme court judge to have the poll at Paddle River, where the vote stood Collins, 11; Kennedy, 87; Rae, 5, thrown out, and 103 voters disfranchised on the technical ground that the deputy returning officer was not properly sworn in. It appears that the commissioner was not present when the deputy signed the oath form. In any event with sixty days in which to act under the Controverted Elections Act nothing was done by the Conservatives.

However a petition against my return has been filed in the Supreme Court of Alberta under the Controverted Elections Act by J. B. Page of Coalspur, through the legal firm of the hon. member for Athabaska (Mr. Cross).

If the Conservatives have now any desire to act and Page fails to press his petition I am informed that they can do so.

The petition charges me with everything the election act prohibits and asks that I be completely disfranchised. In view of this fact, even if I were otherwise disposed to resign I would not do so until the matter was disposed of. If no one else does so, I fully intend to press for action in this matter as soon as this session is over.

But, Mr. Speaker, I cannot resign. Chapter 11, section 8, of the Revised Statutes of Canada 1906, reads as follows:

> No member shall tender his resignation while his election is lawfully contested, or until after the ex-

piration of the time during which it may by law be contested on other grounds than corruption or bribery.

Until this petition is disposed of I intend to assume all the responsibilities and exercise all the privileges of a member of the House of Commons. I do not wish, however, to take shelter behind the petition or the law. I would refuse to resign even if there were no petition. I would not resign if I could and could not if I would. And let me say to that section of the press that has alternately flattered and threatened me during these last few days: I do not value their praise nor fear their threats. I defy them.

There is a bigger question involved than the Peace River seat or the government in power. Northern Alberta has come through an election that has shown the existence of elements that must be rooted out of our political contests if respect for our parliamentary institutions is to remain. The chief question is how to do this. If I can help, neither the loss of the Peace River seat nor even disfranchisement would worry me in the least degree. And let me say that if this end can be served by unseating me, I will hold no grudge against anyone taking action to do so.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): This is a matter that affects not only the privilege of the hon. member (Mr. Kennedy, Peace River) himself, but the privileges of the House as such. I do not propose to comment at any length on the subject now. The House was not apprised until this very moment of the stand which the hon. gentleman purposed taking; prior to meeting we had only a rumour upon which of course we could not decide, much less act. I should not let the occasion pass, however, without saying that I cannot agree with the reasoning advanced by the hon. member for Peace River, and I must take issue most flatly with the conclusion to which he comes.

It is true that under the House of Commons Act, while a petition stands against him in the courts the right of resignation is not the hon. member's. But the act of resignation is one thing and the act of exercising his functions here as a member and a voter is another. The hon. member now stands in this position, that the official and judicial findings as respects the election in his county show that he was not returned a member of this House.

Mr. KENNEDY (Peace River): That was not the trial of an election petition.

Mr. MEIGHEN: There is no charge against the hon. member himself of malpractice, nor is there any charge that there was any dishonesty on the part of anyone else on his behalf. The only fault to be found with the hon. member exercising his functions is that he was not elected. The hon. member argues that but for "other irregularities" he would have been elected, and I must pause to comment on the use of the word "irregularities" which he was benevolent enough to apply to one who has now been convicted of a gross criminal offence against the code of Canada and is in consequence under a sentence to the penitentiary. The hon. member's euphemism may have some significance, but it does not at all detract from the heinousness of the offence. He argues that but for "other irregularities", namely, the fact that certain polls were not voted at all that the government's agents failed to send boxes to those polls, he would have been elected inasmuch as he is able he believes, to read the minds of the voters well enough to know that they would have voted for him. How weak and feeble this is by way of defence is evident on its mere statement. The fact is that from the votes polled the official judicial findings are that the hon. member was not returned, but that Mr. Collins secured the largest number of votes and has therefore the right to sit in this House. Under these circumstances it is difficult indeed to understand how the hon. member can feel himself playing his right part, in relation not only to his constituents but to this House, in continuing to exercise the functions of a member; and still more difficult it is to understand his reasoning by which he throws the blame for the circumstance that he did not obtain enough votes upon irregularities by officers of this government when the fact is, as he must admit, that he owes his alleged return to frauds and crimes perpetrated by a deputy returning officer acting on behalf of the same government. The hon. member represents those frauds in this House to-day, and he represents the men who perpetrated them. He is here because of them, and I think he would have done himself more credit had he realized the position, and, pending at least the event of the action under the Controverted Elections Act, retire from membership in the meantime. The subject is one which undoubtedly will require further consideration and certainly this House has the right to pass upon it. It has that right, and at the first convenient opportunity it will be called upon to exercise it.

PRIVILEGE—Mr. McPHEE

REPORTED STATEMENT OF MR. BAKER, MEMBER FOR TORONTO NORTHEAST

Mr. GEORGE W. McPHEE (Yorkton): Mr. Speaker, I rise to a question of privilege. I see in one of the Ottawa journals published this morning the report of a meeting held in the city of Toronto on April 5, and before making the observations which I desire to make, I want to read from the article in question:

Toronto, April 5.—Describing Hon. Charles Dunning, Minister of Railways and Canals, as "a fresh lad" who was "trying to run federal affairs," R. L. Baker, Conservative member of parliament for Northeast Toronto, predicted at a Conservative Association smoker here to-night that Mr. Dunning "was going to get in wrong." "I think," he said, "the bringing of Dunning into the House was the best thing that has happened to us."

Mr. MEIGHEN: Is this a question of privilege, Mr. Speaker, the hon. gentleman is referring to another member.

Mr. SPEAKER: I desire to hear the hon. member's statement.

Mr. McPHEE (reading):

Continuing, Mr. Baker said that the Quebec Liberals would rise up in protest against the government's actions, and that before the end of the session the reins of power would pass over to Rt. Hon. Arthur Meighen, Conservative leader.

Some hon. MEMBERS: Hear, hear.

Mr. McPHEE: I presume my hon. friends will applaud the next paragraph as vigorously:

He predicted that the upset would come when the budget was brought down.

"I don't see," Mr. Baker said, "how the men from Quebec can stand a fellow like Dunning and the young cubs of farmers dictating a policy for Canada. I think they'll explode. We old ginks aren't going to listen to young cubs tell us where we get off at.

"The so-called government," he said, "is there at the mercy of these selfish grain men from the west. If King had been a man at all he'd have thrown up the sponge."

Reading this report I am reminded of the lines from Pope's Essay on Criticism:

All seems infected that th' infected spy,
As all looks yellow to the jaundic'd eye.

Some hon. MEMBERS: Order.

Mr. McPHEE: On behalf of the members sitting on this side of the House who come from Saskatchewan, I resent these slanders hurled against the third largest province in Canada. These insults offered to the representatives from the prairie provinces show a contemptibly mean and narrow concept of Canadianism.

Mr. MEIGHEN: Mr. Speaker, I rise to a point of order. The question—

[Mr. Meighen.]

Mr. McPHEE: We refuse—

Mr. SPEAKER: Order.

Mr. MEIGHEN: The question of privilege must affect the individual member. Certainly the member for Yorkton (Mr. McPhee) is not concerned with this question.

Mr. McPHEE: I am coming to that.

Mr. SPEAKER: The question of privilege may affect one member individually or it may affect a group of members. In the present instance the question of privilege raised by the hon. member for Yorkton seems to affect a group of members. He says that he resents the attack made by a certain gentleman upon members from Saskatchewan by calling them "cubs."

Mr. MEIGHEN: Mr. Speaker, it is not a question of privilege at all because the members from Saskatchewan are attacked.

Mr. SPEAKER: I beg to disagree with the right hon. gentleman. A question of privilege may affect one member individually; it may also affect a collectivity. I do not think the word "cub" is a very serious slight, but it depends upon the grounds for resentment. Let the hon. member for Yorkton state briefly the cause of his resentment. Then the question may be dealt with.

Mr. McPHEE: Mr. Speaker, I was going to say that we are no cubs, and we refuse to be so stigmatized by any denizen of the city of Toronto. One further observation, Sir. I see that the Archives are receiving pictures of an age that, I presume, is now numbered with the past. I would respectfully request that the hon. gentleman who uttered these slanders against us should have his picture placed there as the representative of an antiquated age to which his language would lead one to suppose he belongs.

Mr. SPEAKER: Orders of the day.

CIVIL SERVICE COMMITTEE—1923

RECOMMENDATIONS CONCERNING SALARY SCHEDULES AND OTHER MATTERS

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, may I respectfully ask if the government is prepared to give me an answer to the question regarding the civil service that I propounded about three days before the Easter adjournment?

Hon. ERNEST LAPOINTE (Minister of Justice): I will give the answer to-morrow.

Mr. FORKE: Mr. Speaker, I want to know if any secret communications are passing between the hon. gentlemen. We cannot hear anything of what is being said.

TARIFF ADVISORY BOARD—PERSONNEL

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, may I ask what the latest news is in regard to the tariff commission?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The latest news is that the order in council will be brought down very soon.

THE BUDGET

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): May I ask when the budget will be brought down?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The hon. Minister of Finance (Mr. Robb) is not in his seat. I would prefer that he replied to my right hon. friend's question.

ADVANCES TO SETTLERS ON CROWN LANDS

Hon. CHARLES STEWART (Acting Minister of Immigration and Colonization) moved the second reading of Bill No. 16, to authorize advances to settlers in crown lands.

He said: Mr. Speaker, we had a pretty thorough discussion upon the resolution itself, and the main objections taken were to the amount to be loaned each year and the absence of a time limit. I have amended section 9 to meet the criticisms offered by reducing the total amount of loans per annum to $1,000,000, and by restricting the operation of the act to five years.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I am prepared to have the bill go into committee, but I am not prepared to let the statement made by the minister go unchallenged. Our objections are much wider than he stated. Especially I wish to raise the question here that the moneys to be applied upon these loans should be voted by parliament, and should not be statutorily taken out of the treasury without being included in the estimates.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, there are some objections to this bill which I did not express when the resolution was under discussion, thinking perhaps that when the bill was brought down in its amended form those objections would disappear; but they have not. I should like to draw the attention of the House to the definition of crown lands:

> Any land suitable and available for settlement, lying within fifteen miles of a railway—

That will prevent the operation of the act in a large portion of British Columbia where the crown lands for the most part are in those portions of the province where there is no railway at all. Seven-eighths of the district that I represent are without any railways, but are served by water and a large portion contains land very suitable for agriculture. The same remarks apply to the district of Skeena, except in the northern portion, where the old Canadian Northern line is operating. The same is true to a large extent of the district of North Vancouver, except in the extreme south. I would suggest the introduction of the words:

> —or steamer landing

After the words, "within fifteen miles of a railway." I have in mind a particular valley very suitable for settlement which has a steamer service four times a week. It is provincial crown land to a large extent, and the settlers in co-operation with the provincial authorities might take advantage of the act in that district, but if they have to wait until a railway comes there it may not be possible for them to do anything for twenty years. Then there are a number of large and fairly important islands devoted to or suitable for agriculture—for instance, those lying in the gulf of Georgia running as far north as Prince Rupert. The Queen Charlotte islands have large possibilities agriculturally. It will be a very long time before any railways are built on those islands. They contain a lot of fine land suitable for settlement under this act, but of course their sole transportation from the islands is by water.

Then I see in section 3 it is proposed to:

> Make a loan to any settler on the security of improvements made by such settler—

If the exact wording is to be adhered to the act will be nugatory, because if a man has made a thousand dollars worth of improvements he is fairly well started and does not need any loan. If, on the other hand, as we are told by word of mouth, it is the intention of the government to lend on the same system as the progress loans under the Soldier Settlement Act, it would be all right, because the Soldier Settlement Board, by their

officials, first outlined the manner in which the money was to be spent. Then if the loan was for say $1,000, they would make progress payments—that is, after the settler had done $200 worth, they would pay him that sum, and so on. In that way he could live while carrying out his improvements. But this intention is not so expressed, and as the section stands it would imply that the man would have to have made a thousand dollars worth of improvements made before he would be entitled to a loan. The first thousand dollars worth of improvements is much harder to finance than the second thousand, because for the further improvements he has greater security to offer. Sub-section (a) provides that the money will be loaned:

To a settler who is a Canadian citizen.

This is the first time that we have had presented a scheme to promote land settlement which applies to those now in Canada; generally it is confined to foreigners coming in. Perhaps such a man, brought up on a farm but now living in a town, would like to get back on the land, having become tired of urban life. I believe if carried out properly this scheme will result in attracting a considerable number of people from the cities back to the land.

Section 4 deals with settlement loan committees. I cannot see much to commend in the establishment and management of these committees. It says:

A settlement loan committee shall consist of not less than two and not more than three persons—

Suppose the two do not agree with respect to an application for a loan, what is to happen? There is no provision made for this contingency. Then it says that these three persons must be in the employ of the Dominion government or of any provincial government, which apparently means that they must be already in government service in some other capacity, because in a lower section it says they shall not receive any salary or remuneration in addition to that otherwise received. Very well; we will deal with the provincial officials first. Except in the northern part there are in British Columbia no Dominion crown lands at all, and this will be largely a matter of provincial crown lands. The proposition apparently is to employ the services of three provincial officials who are paid for doing something else and whose time is no doubt fully occupied with those duties. This Dominion government—with the consent, no doubt, of the province—is to give those men instructions and orders as to what they are to do. According to the bill one man must be either the Dominion lands agent or the provincial crown lands agent; in British Columbia the term used is "government agent" and that gentleman has many duties to perform. When he is fulfilling those duties is he to be directed, by some power utterly foreign to that which employs him, to go perhaps a hundred miles away and do something else? He will not feel like hurrying to obey the orders of someone who has no authority over him and is not paying him. I think the wording is unfortunate and that a better scheme could be devised.

Then I see by subsection 7 of section 5 that all settlement loans shall be extended under the direction or control of the minister. Of what minister? I presume it is the minister under this act, the Minister of Immigration and Colonization (Mr. Stewart, Edmonton). That, in conjunction with what I have already said about the formation of the committees, leads me to this point: I urge the government to deal with this matter through either one department or the other, and not jumble it up between two departments. The Department of Immigration and Colonization has had practically no experience in the handling of Dominion lands or loans to farmers, while the Soldier Settlement Board has had a very extensive and somewhat dearly bought experience. They made many mistakes and profited by them, and are much more qualified to carry out the loans under this bill; they have men trained to deal with these very things. Now we are apparently going to take it away from these men—although we are told verbally that their opinions will be asked. That will mean a system of dual control, with the two departments passing the buck from one to the other.

Mr. STEWART (Edmonton): I think my hon. friend is under a misapprehension, if he will permit me to interrupt. The Soldier Settlement Board is now under the Department of Immigration and Colonization, and the minister mentioned in the bill is merely the minister in charge of that board. The board will act in this capacity.

Mr. NEILL: The ministerial head may be the same but nevertheless there are two distinct departments. If it is to be done by the Soldier Settlement Board why not say so and put the whole power in their hands?

Mr. STEWART (Edmonton): The Soldier Settlement Board will not be curtailed in their functions or powers; they are now under the Minister of Immigration, and the minister is merely mentioned as the head of the department.

Mr. NEILL: Then why creat these elusive committees? Why not leave it as before, under the Soldier Settlement Board?

Mr. STEWART (Edmonton): There is no objection in the world; that was not thought of when the act was drafted.

Mr. NEILL: It is an afterthought, then, to put it into the hands of the Soldier Settlement Board?

Mr. STEWART (Edmonton): No, that was the intention all the time. My hon. friend will notice in all these acts that the minister in charge of the department is the minister mentioned. The machinery functions under the board. If my hon. friend objects to the wording there will be no objection to inserting "board" instead of "minister", but in all these departments the minister is in charge.

Mr. NEILL: If the minister is in charge it removes that technical objection, but I do not see the Soldier Settlement Board mentioned anywhere in the bill. I now go back to the constitution of these committees. I would far rather see the machinery put simply and solely under the direction of the Soldier Settlement Board, which is qualified to handle it and which has competent officials already in its employ. In regard to these committees, how are you going to get satisfactory and responsible action from three provincial officials? I would suggest that that be fully considered in committee.

Mr. WILFRID GIROUARD (Drummond and Arthabaska) (Translation): Mr. Speaker, I wish to draw the attention of the hon. Minister of Colonization to one of the clauses of the present act.

Subsection (c) of clause 2 defines crown lands as follows: "Crown lands" means any land suitable and available for settlement, lying within fifteen miles of a railway and owned by the Dominion government or any provincial government. In my county, Sir, there are three parishes inhabited by settlers who have established themselves on crown lands. These people have settled at a greater distance than fifteen miles from the railway, and, should the present legislation be adopted, according to the definition given to the term "crown lands," these settlers would be deprived of the benefits of the present act. I might add, by the way, that in the province of Quebec, if I be not mistaken, most of the settlers are established on lands located at a greater distance than fifteen miles from the railway. It, therefore, seems to me that should this legislation in its present form and as stated in Bill No. 16, carry, the province of Quebec would be deprived of the benefits of this legislation.

I am aware that the west is ready to accept and admit that this distance of fifteen miles is sufficient; however, this limit must be further extended, if we wish this legislation to be beneficial to the settlers in the province of Quebec.

Again, I want to especially draw the attention of the hon. Minister of Colonization to this fact, and, I repeat it, if this bill is adopted in its present form, the province of Quebec will in no way benefit by it, and a number of settlers especially in my county, will be deprived of the benefits of this act.

Mr. HENRI BOURASSA (Labelle) (Translation): Mr. Speaker, I entirely agree with the statement made by the hon. member for Drummond and Arthabaska (Mr. Girouard). This measure would certainly be inoperative in the province of Quebec, should this fifteen miles limit be included in this act.

I had no intention of discussing the matter on the second reading of the bill. I thought that we might look into this question when we were in committee. However, I deem it more loyal to warn the government and the hon. Minister of Colonization that this provision should necessarily disappear, if the act is to be applied throughout the country.

I think it may be stated that in the province of Quebec all the colonization districts lie, to-day—not in near-by settlements, but taken as a whole—at a greater distance than fifteen miles from the railway. This is true of the northern part of the county I represent. The same may be said for the county of Wright, Hull and, I think, for part of the county of Pontiac. The greater part of the lake St. John district which is available for settlement is more than fifteen miles distance from the railway. And precisely for the reason that settlers who venture into the bush at a distance of 25, 30 or 40 miles from the railway, have greater difficulties to overcome than those who settle along railways, it seems to me that we should not say to them: "You shall get less encouragement than the others, because you have more pluck and spirit of enterprise."

On the other hand, I admit that when it is a question of colonization, in the province of Quebec or elsewhere, there has been far too much neglect, in the way of concentrating the inhabitants as was done with such good common sense 250 years ago under the French regime, and in inducing settlers to group together before thinking of spreading here and there through the bush and sometimes on

lands little suited for farming. However, to establish an arbitrary ruling as the one which limits the operation of the act to 15 miles from the railway is not likely, in my opinion. to conduce to a very hearty reception of this measure, at least in the province of Quebec. I think the same may also be said for a large section of northern Ontario, where there are already centres for settlement which have been opened up at a greater distance than fifteen miles from the railway. I know nothing of the other provinces. That is to say, that I am not sufficiently acquainted with New Brunswick to know if there are settlers so located; but I would not be astonished if there were in certain sections of the interior of New Brunswick, settlers that are as much in need of assistance as the others, and whose farms are located more than fifteen miles away from the railway.

I do not intend to vote against the second reading of the bill; however, certainly if the bill is to remain as it is, I loyally warn the minister that I shall vote against the third reading.

Hon. CHARLES MARCIL (Bonaventure): I would like to support the observations made by the member for Drummond-Arthabaska (Mr. Girouard) and by the member for Labelle (Mr. Bourassa) regarding clause 2, which limits the benefits of this scheme to those settling on land within a radius of fifteen miles of a railway. In the province of Quebec the new settlement has been extended far beyond fifteen miles. In the Gaspe peninsula, for instance, we have settlers twenty and twenty-five miles away from a railway, and they are getting farther away every day. The whole lake St. John region is many more miles removed from a railway than fifteen miles, and the same applies to northern Ontario. If this arbitrary limit of fifteen miles stands in the bill, practically the whole province of Quebec will be debarred from benefiting under this legislation, and I hope the minister, when we are in committee, will see his way to removing this limit entirely, or at least extending it so far as the province of Quebec is concerned.

Mr. ROGERS: Has the minister made any calculation of the acreage in the three prairie provinces within the fifteen mile limit?

Mr. STEWART (Edmonton): My hon. friend will find that information in Hansard. I am sorry I have not it here at the moment.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Duff in the chair.

[Mr. Bourassa.]

On section 1—short title.

Mr. ARTHURS: Before we proceed with this bill I would like to ask the minister how he reconciles clause 4 with the pronouncement he made on March 25 when the resolution preceding this bill was before the committee. At page 1887 of Hansard my hon. friend from Frontenac-Addington (Mr. Edwards) asked this question:

> Am I correct in supposing that you will not advance a loan until you are thoroughly satisfied that the settler has an equity in the property to amply cover your guarantee or loan?

And the answer of the minister was:

> Yes, that is why the provision is put in the bill.

If that answer is correct how is it possible to advise the minister as to the suitability of a settler before he goes on the land? Apparently the bill would suggest that the men who are afterwards to receive loans must be accepted by the minister and by his committee as suitable settlers, and that they, and they only, can receive loans.

Mr. STEWART (Edmonton): That is quite correct. The committee would have the right to accept or reject any settler; it could not be otherwise. It is the same with any loan company that is lending money; the character of the applicant for the loan would play quite an important part, I think, in whether or not he would secure the loan.

Mr. BOYS: The minister does not mean, reject the settler, but rejects the application for the loan, does he not?

Mr. STEWART (Edmonton): Yes, but my hon. friend from Parry Sound was asking whether the committee would have the right to reject the application for a loan from the settler.

Mr. ARTHURS: When the resolution was before the House, the minister also stated that a certain amount would be advanced to the settler immediately upon going upon the land.

Mr. STEWART (Edmonton): Oh, no.

Mr. ARTHURS: Excuse me. At page 1886 of Hansard the minister said that a certain amount would be advanced, and then:

> As he improves his land and buildings further advances will be made to him up to a maximum of $1,000.

Mr. STEWART (Edmonton): I think my hon. friend is mistaken, or at least I did not wish to mislead the committee at all. I tried to make it clear from the very first that improvements would have to be made before the money was paid out on the land.

Mr. ARTHURS: I will read the minister's exact words as they appear in Hansard:

This—

That is, the amount advanced:

—will enable him to provide for the necessities of life—

It does not say, to improve the property, but to provide for the necessities of life:

—and if he is fortunately situated, he can devote some portion of the advance to the purchase of machinery. As he improves his land and buildings further advances will be made to him up to a maximum of $1,000.

Then he goes on to say, on the next page that no loan will be made until the man has security equal to the amount of the loan. That seems to put the minister in rather a difficult position.

Mr. STEWART (Edmonton): I want to make it very clear that there will be no payment on a loan until there is improvement at least to the extent of the loan that is made upon the land.

Mr. NEILL: Of the whole loan?

Mr. STEWART (Edmonton): Of the portion that may be issued.

Mr. ARTHURS: Has the minister had any communication with the province of Ontario or the province of Quebec as to their co-operation under this legislation?

Mr. STEWART (Edmonton): No. The provinces all have schemes of their own, but they are all interested in immigration. I cannot say whether the provinces will join in a scheme of this kind or not. My hon. friend knows that under the provisions of this bill the lands would have to be turned over to the federal government; at all events, the mortgage would be the first lien upon the provincial lands. The sole desire is to make this bill apply right across Canada in every province that is willing to come in under the scheme.

Mr. ARTHURS: Then would it not be proper to suggest to the minister that he should have consulted with the province of Ontario and the province of Quebec before the bill was brought down, for it is just as important that vacant lands in Ontario and in northern Quebec within the fifteen mile radius should be settled as vacant lands in any other province. The minister is himself suggesting under this scheme that no patent can be issued by the province of Quebec or the province of Ontario until the loan has been liquidated and the full amount returned to the Dominion government. This would suggest to me that the minister would have been in order if he had approached the governments of these two provinces, which, after all, are just as much interested in immigration and in the opening up of their back territories as any other province, as to what action they would take.

Mr. STEWART (Edmonton): One of the difficulties I have always found in connection with matters of this kind is that until you are able to speak definitely, you cannot make any arrangement with any province. I have tried it before in immigration matters. This is an attempt on the part of the government to treat all the provinces of Canada fairly and equitably, not debarring any of them. They are all interested in immigration and all have crown lands with the exception, I think, of Nova Scotia and Prince Edward Island, and they can all take advantage of this scheme if they so desire, but only, of course, if they are prepared to give the federal government the first mortgage upon the lands in question. That is why there are provisions in the act for dealing with provincial officials.

Mr. ARTHURS: The minister is perfectly aware there are only a few provinces in Canada that have any crown lands. The provinces of Saskatchewan, Alberta and Manitoba have no crown lands.

Mr. STEWART (Edmonton): Ah, the situation there is quite different.

Mr. ARTHURS: Generally speaking the provinces which have crown lands are Quebec, Ontario, British Columbia, and, perhaps, New Brunswick. I understand the minister has made no attempt to reach the authorities in these provinces in order to find out whether they will enter into a scheme of this kind or not.

Mr. STEWART (Edmonton): For the very good reason that I have, as yet, nothing definite that I can discuss with them. But when this bill has been passed I can do so. I am not sure that every one of the provinces will agree to give the federal government a priority of claim upon their lands. I anticipate that is one difficulty that will be encountered. But at the same time, all the provinces are more or less interested in the settlement of these vacant lands, and I am trying to get the consent of parliament to this bill in order that we may bring that about. Not only that, but the chief thing I am trying to accomplish through the medium of this bill is to hold out some hope to the Canadian who finds himself in an urban centre in this country and who is desirous of going back on the land without the investment of a great deal of

money, of realizing that aim. That is the primary object I have in mind. The other object is to thicken up the settlement along the existing lines of railway. In discussing any matter of this kind even if you get one province to agree you have difficulty with another. That is the chief trouble in trying to devise any scheme applicable to the provinces as a whole.

Mr. BOYS: Has there been any special demand for this legislation from any of the provinces outside of the three prairie provinces? As a matter of fact, we have in the province of Ontario, as the minister no doubt knows, what is called the Agricultural Development Board where loans are made to farmers at a low rate of interest and repaid in twenty annual instalments. Of course, in such cases they require to have the title which they do not here. At the moment I cannot conceive that there could be any demand for this legislation from the province of Ontario. If I felt the bill was going to be of any special benefit to that province I certainly would want to support it. I should therefore like to know from the minister, speaking to some extent for the province of Ontario, whether there has been any request from anybody in that province, either from the government or from individuals, calling for this legislation. Then comes the further question: Is it the purpose of this legislation to enable men to get advances of money if they have not security, or is it to enable them to secure loans when they have security? From what the minister has said, I should be inclined to think it is only when they have security that they can get such a loan. If that be the case why cannot they get money now? I can see, of course, one distinct advantage here, and that is in the rate of interest, and perhaps that is the main purpose of the legislation. If I am not putting too many questions at once, I should like the minister to give me information on that point also, because I do not suppose money can be got at five per cent in Ontario or Quebec or in the west—the interest rate in the west is probably seven or eight per cent. I think I am safe in saying that in the province of Ontario, unless you have what is called gilt-edge security, the rate of interest is 6½ per cent. Therefore, there is a distinct advantage in getting an advance of money at five per cent. I am really more interested in the first question I put as to whether there has been any demand for this legislation from any province outside of the three prairie provinces, and if so from whom that demand has come? Is this an idea of the minister or of the department, or have there been persistent demands, perhaps extending over the last year or two, which have culminated in the bill before the House?

Mr. STEWART (Edmonton): There is a fairly insistent demand from people who were residing in urban localities all over Canada that some scheme be devised which will afford them an opportunity to go back upon the land. I cannot say the demand comes from any particular section of Canada.

Mr. BOYS: May I interrupt the minister at this point? Am I to understand that people in the city who are without means are seeking to go upon the land knowing they cannot get one dollar until they have made improvements to the value of $500 or $1,000 and then only to the extent of such improvements? Everybody knows that you must have money to make improvements, and you cannot get an advance under this bill until improvements have been made. I cannot really see that much good is going to result from such a scheme as that.

Mr. STEWART (Edmonton): My hon. friend will understand that the homesteading process is a pretty strenuous one, and the sole object in going upon a homestead is to avoid assuming a burden of debt. Otherwise no one would think of going on unimproved land. I am speaking in the light of experience. Now, there are in Canada—not altogether in the western part of the country, although there is a fairly large proportion there—people, farmers' sons for example, who have had agricultural experience. They have gone into cities and wish to return to the land but they find that the purchasing of improved land involves a heavy mortgage indebtedness. That is what they are anxious to avoid. There is always more or less opportunity for labour for such people in these localities where homestead land or crown land is available. They also have the opportunity of getting out and earning a little money in the older settled districts. You cannot hand three hundred or four hundred dollars to people and say to them "Go upon a given piece of land and earn that money." The chances are that in some cases they will be thoroughly honest about the transaction but as regards the remainder you will probably never see the money at all.

Mr. BOYS: The minister did not think I was advocating such a thing as that, did he?

Mr. STEWART (Edmonton): No, I did not. I am simply pointing out the difficulties

the department has to meet in trying to devise a satisfactory scheme in order to help the people referred to to go upon these lands. Some labour will be necessary before the lands become productive. The hope is to establish the settler on lands where he can put up a home out of the timber found upon the property—not sawn lumber but logs. He will also have to do some clearing. As he progresses with the construction of his buildings and his improvements, payments will be made, on progress estimates if you will, after inspection by officers of the Soldier Settlement Board. That is all that is involved in this. I could not say that there has been any demand for it in Ontario or Quebec except that there comes generally to the department the request that something be done to assist people already in Canada to get back on the land. If this bill is not valuable for that purpose and also does not provide against exploitation of the government, I had better withdraw it. I am willing to have all the criticism offered that members of the committee feel like offering to the bill, but we must try, first, to preserve as far as possible the advances made by the government and, second, to render the maximum amount of assistance to people who are desirous of taking advantage of this measure. I do not deny that I expect a much larger proportion of people in the prairie provinces than in the older provinces of Canada to take advantage of it.

Mr. GUTHRIE: I think we may take it for granted from what the minister has just said and also from the discussion which took place when this legislation was before the House in the form of a resolution, that the advantage, if any, to be derived from this bill will be felt chiefly, if not exclusively, in the three prairie provinces, and that the other provinces will be scarcely affected at all except as regards the amount of expenditure chargeable to the Dominion treasury in connection with carrying out this measure. I would be willing to assist in any settlement scheme which is going to produce results in any part of Canada, whether in the prairie provinces or in the other provinces, and if any reasonable result follows the expenditure of this money in the three prairie provinces I will feel well satisfied. So far as I can see this legislation will have little or no application to the other provinces.

Crown land, as defined in the bill now before us, is land of the Dominion government or of a provincial government lying within fifteen miles of the railway and it must also be agricultural land. In Ontario any land which would comply with that description and with those limitations would be in the far northern part of the province where I do not think we have a great quantity of agricultural land unless it be in what is known as the clay belt. That would be the only portion of Ontario that I think would be affected by the operation of this measure. I do not know what portion of Quebec might be affected, but I would think also in that province the land would be pretty well to the north and land that would not in all probability be settled by agriculturists within the next five, ten, fifteen or twenty years. If, however, the passage of this measure and the making of these loans results in settlement of crown lands in the west under a system which affords proper safeguards to the Dominion of Canada so that the money will be eventually repaid, there may be some merit in the proposal and I for one would not like to oppose it because it may result in good.

The application of the clauses of this bill will be the all-important question. If this money is to be advanced by a suitable loan committee, by men of business experience, men who are actuated solely by a desire for the public weal apart from political considerations and the like, the matter may end well, but there is in this measure a tremendous opportunity to fall down in that very respect. Loose systems will be inaugurated; favouritism, political considerations and the like will creep in. I fear—and I express only my own fear—that in the result the money will not be repaid to the treasury of Canada. That has been our experience in a good many other instances in this country and I am afraid this $5,000,000 of expenditure which is the limit for any one year—

Mr. STEWART (Edmonton): It has been reduced to $1,000,000.

Mr. GUTHRIE: —one million dollars will be a matter of loss to the treasury in this way, that it will not be repaid, although if it should result in securing for Canada any substantial volume of settlers I would not look upon it as actual loss to the country. I agree with the minister that the bill as drawn provides that an advance cannot be made except upon improvements actually effected and I see the difficulty which the hon. member for North Simcoe (Mr. Boys) has pointed out. How is a man who has no money to make the initial improvements in order to get a loan? The difficulty is going to be to find the man who has the money to go on the land and make the first improvements because, if the improvements are to be such as to afford reasonable security, the

settler must in the first instance have some substantial amount to put into the undertaking. Once you have the man on the land with the improvements your scheme may work well, but how you are going to get the initial improvements as security for advances out of this fund, it is hard for one to know.

Mr. FORKE: We might just as well be frank about this matter in commencing and admit that this scheme will apply more particularly to the prairie provinces than to the other provinces of the Dominion, for the simple reason that the prairie provinces have more land of the character that this legislation will be applicable to. We may take a too restricted view of the matter and the hon. member for South Wellington (Mr. Guthrie) touched upon it when he spoke of the benefit it would be to the country at large. I am inclined to believe if you can get settlers to go on this land and improve it the country as a whole will benefit more than those settlers.

As regards want of money to begin with, strange as it may seem those of us who were acquainted with conditions that prevailed in the early settlement of the prairie provinces—and I think the Minister of the Interior (Mr. Stewart) knows something about this—know that a great number of homesteads were taken up by people who had just enough money to pay the original ten dollars. Yet when I look back over those years and I think of the people who have made good in western Canada, I find in the great majority of cases the people who made good were those very ones who, to commence with, had only a ten dollar stake in the land they took up. Therefore the fact that a man has no money should not stand in the way. There are always many opportunities for men to obtain employment in the west at good wages; for notwithstanding all that we hear about the lack of work, the demand at the present time for men on the farms cannot be filled. That demand always exists, and there is no doubt that any man who is willing to work hard and to adapt himself to his surroundings can advance his material interests by going on the land. He may not find everything precisely to his liking on the farm, but if he is prepared to put up with a little hardship he can easily make a home for himself by taking advantage of the conditions offered in this bill.

I have received letters from people of foreign birth who have some doubt as to whether they will come under the provisions of the bill. As I understand the legislation, I think they will. It is being provided that "Canadian citizen" shall be defined by the Immigration Act. It seems to me that when a man has become a Canadian citizen under that act he will automatically become eligible to take advantage of the provisions of this bill. I am not so sanguine as the Minister of the Interior (Mr. Stewart, Edmonton) about the great work that will be accomplished. I do not think that you will see vast sums of money spent under this legislation, but it is undoubtedly worthy of a trial. I believe, further, that a great majority of the people who will take advantage of it will be either those of foreign birth or the children of foreign parentage. They are the ones who are willing to adjust themselves to the conditions of agricultural life. They are willing to endure more hardship and to make a more vigorous struggle than our own Canadians are likely to undertake. As a matter of fact I question whether the average Canadian of to-day is really an agriculturist; he looks more to business and to the professions. I am sorry that this is so, but I am afraid that we shall see the same thing take place in western Canada that occurred in the north-western states; unless there is a change the great bulk of our agricultural people—that is to say, the people who will make a success of farming—will be people of foreign birth or parentage. I sincerely hope this will not be the case. My own effort has been to elevate as far as possible the whole calling of agriculture. For that reason I am in favour of the bill inasmuch as in my opinion it will work out to the advantage of the prairie provinces.

I have no jealousy towards any of the other provinces in regard to this legislation. As a matter of fact, as I have said before, anything that will help western Canada to become settled and to make production possible must react to the benefit of the Dominion as a whole. And conditions in the west lend themselves to a bill of this kind to a greater degree than do the conditions in other parts of Canada.

In regard to the fifteen mile limit, I do not know whether anything can be done in relation to Quebec or Ontario, but certainly I am in favour of that provision for the west. At the same time it is possible that something might be done in the way of regulation to extend a further limit, if necessary, to the other provinces. On the whole I firmly believe that the bill is a wise one so far as western Canada goes, and I am prepared to vote for it.

Mr. MARCIL: I just want to amplify what I said before in regard to the province

of Quebec. It would be a mistake to suppose that the inhabitants of that province are not going back to the land at all. We have been carrying on an intensive campaign through the clergy, the press, and our colonization societies and have obtained splendid results. One has only to look at the northern part of Quebec along the Transcontinental railway where the Abitibi settlement has sprung up in the last fifteen years. The district is now represented in the local legislature and in parliament, and it has full judicial machinery. There are now twenty parishes in the settlement, and the clergy look to the future of the district with great hopes. The same thing might be said of the lake St. John district. No part of Canada is at present attracting more attention that that district, which is becoming a magnet of interest to the whole world. A new city is springing up there known as Arvida, where aluminum works, water-power and pulp mills will operate. In the lake St. John district, which is many miles from any railway, a most extraordinary settlement is going on; and the same is true, although to a lesser degree, of the counties of Labelle, Wright and the northern part of Joliette, of Montcalm, and of the region beyond Three Rivers, down into the Gaspe territory. We are opening up at the present time in the Gaspe peninsula, in the counties of Bonaventure and Gaspe, a number of parishes half way between the St. Lawrence and the baie des Chaleurs anywhere from fifteen to twenty-five miles removed from old settlements. I should therefore like to see the province of Quebec take advantage of the benefits of this legislation. We should not leave the country to imagine that only the west will be opened up for settlement.

I can understand the arbitrary limit of fifteen miles being fixed for the prairies, but as the hon. member for Labelle (Mr. Bourassa) pointed out on a former occasion, we have changed our system of settlement in the province of Quebec from what it was under the French regime. Under the French regime the original immigrants settled along the waterways, which were then practically the sole means of communication. Now, however, they have gone considerable distances inland, so that we have in the province parishes thirty, forty and fifty miles from a railway. Those parishes are fully organized and the impression prevails to-day, as it has prevailed during a number of years past, that the province through its legislature will be forced by public opinion to undertake some such scheme as this as a means of encouraging the people to return to the land.

We all know that the salvation of Canada lies in a more even distribution of its population as between city and country. If the majority of our people continue to live in cities and urban settlements, I do not know what is going to become of the country in the next generation or two. It seems to me that every possible effort should be made to induce the people to go back to the land. If the minister must of necessity fix an arbitrary limit for the west, I urge him to leave the question open, at least so far as Quebec is concerned, until negotiations can be carried on with the provincial government. I am sure that the people of the province of Quebec are anxious to take hold of this scheme because the desire there is to have settlers come in. The people of Quebec will go into parts of the country where the immigrant from Europe or from the British Isles will not go. They are typical woodsmen who are quite prepared to settle in the northern parts of the provinces of Quebec and Ontario, just as the pioneers in those provinces did long ago. I do not think, therefore, that they should be debarred from the benefits of this legislation by any provision compelling them to settle within fifteen miles of communication; the localities that are thus accessible are already settled. In order to have new settlements we must go beyond that limit.

Mr. ARTHURS: I rise merely to confirm in part what the last speaker (Mr. Marcil) said. I am opposed to this bill for the reason that it is purely local in its application, being confined to western Canada, and my opinion has been confirmed by the leader of the Progressive party (Mr. Forke), who states quite frankly that he believes that the benefits, if any, will accrue only to that part of the country. There are large territories, both in Ontario and in Quebec, where there are settlers to whom a loan of a thousand or even five hundred dollars would be a decided boon. Those settlers are anxious to remain on the land with their families, and as the hon. member (Mr. Marcil) has well said, they are the best pioneers in the world to-day. They are opening up an empire in the northern part of Ontario and Quebec, and in my opinion this bill, if it is to be effective, should be the subject of negotiation between the minister and the provincial governments who have crown lands of their own. Only on that basis should the legislation be adopted.

Mr. ESLING: The purpose of this bill is to encourage colonization through the lending of money at a low rate of interest. I think it might go further and extend to all land

within the Dominion. In other words, you are building up at one end by encouraging people to come here, and you are tearing down at the other end by not recognizing those who are already on the land. In that connection I want to cite a very interesting case which was brought to my attention no later than March 20. It is contained in a letter written to me by a man who is a farmer and a member of a farmers institute, so it is evident that he takes an interest in agricultural affairs. We have in British Columbia a Land Settlement Board which is supposed to make advances to and encourage men on the land. We have also the Soldier Settlement Board, a federal institution. So this man had an opportunity to apply to the two boards. He writes:

I have tried the two local establishments, the Soldier Settlement Board and the Land Settlement Board, to raise a loan on my ranch. I thought that the Land Settlement Board were going to advance the money, but at the final stage they decided that as the money was not to be used for new improvements they would not make the advance.

In other words, you are going to lend money to a new settler as he makes his improvements; but the collateral is not considered good enough for improvements that have already been made. This man adds that he has a clear title to thirty acres, has constructed a five-roomed house, a barn, root houses, cellars, and so on. He writes:

It is my own home, the only one I have, and I want to raise $1,000. I had ten weeks with pneumonia.

Now, you are going to encourage newcomers, but here is a man who has cleared thirty acres, built a house and barn and gone through various trials and hardships. He considers that his ten weeks' illness put him back two years. Worse still, just before recovering he broke three ribs. But that is not the most serious part of his troubles. He goes on:

We had our children sick, two operations in the hospital, and what with doctors bills, and so on, I am about $850 behind.

By this legislation you are inviting men from the city to go on the land, but you are not offering any encouragement to those who are already there. This unfortunate man says:

I am in danger of losing what I have, and after four years and eight months overseas to come back and put every cent I had into a ranch, and then lose it.

You are not doing anything for this man who has put in four years and eight months overseas, but you are inviting some chap from the city or some outsider to go on the land and make improvements, for which you are quite willing to advance him money. These loans should be available to bona fide settlers, the men who by their energies have cleared their land and put up buildings; but you are not disposed to consider them at all.

Mr. SPENCER: Would not the case mentioned by the hon. member be a proper one for a rural credit scheme?

Mr. ESLING: No matter what might be the proper scheme, the fact remains that in British Columbia both the Land Settlement Board and the Soldier Settlement Board are overlooking such a case as this, and if this is not a worthy case I do not know what is. Certainly in my view no worthier case could come before any settlement board. Let me cite a similar case. Twenty miles north of Bassano which is eighty miles east of Calgary, a man purchased 160 acres. He paid $500 in cash. He and his family moved on to the land, fenced and broke 80 acres and seeded it. Unfortunately, the first year they did not get a crop. The next year that man came and asked me as a favour if I would write to the government at Edmonton to see if some arrangement could not be made to give him sufficient seed. The reply came back that nothing could be done. What was the result? The man simply abandoned his place and he and the three members of his family went over to the States. What is the good of encouraging people to come into this country if you are not going to take care of those already here?

Mr. STEWART (Edmonton): What year was that?

Mr. ESLING: In the spring of 1924. I applied to the department at Edmonton for some relief for the man by way of seed. I submit that it is of far greater importance to take care of the people who are already here than to bring in outsiders.

Mr. MULLINS: Mr. Chairman, I want to place myself on record as being absolutely opposed to this measure. As a western representative I cannot agree to anything like this proposal—to take a man out of the city and give him $1,000 or to give a new settler $500 to go on the land. We have had those spoon-fed babies in western Canada and we know something about them. Really I cannot understand the minister bringing in such a bill. The Minister of Railways (Mr. Dunning) knows something about conditions close to where he lives. If this measure is passed I can see that the treasury will be exploited, and the security taken for the loans advanced will be practically nil. Take the log house and a few other buildings that a man puts up on his land, they look fairly well, and your inspector comes along and authorizes a loan

of $1,000; but that man comes from the city, he is not a success on the land, and finally the government will own it. I cannot understand the minister sponsoring this bill knowing western Canada as he does. It may be all right for Quebec—I do not know what the conditions are there—but let Quebec be responsible for part of the commitment. Such a measure may be all right to help settlers in that province, but so far as western Canada is concerned, I would urge the government to do something to help the man on the land get his products to the markets of the world. Then we will have no trouble in getting settlers there.

Mr. NEILL: I rise to a point of order, Mr. Chairman. This discussion I submit is entirely out of order. We are dealing with the first section of the bill, its title, and it is a well known fact that in committee of the whole the principle of a bill cannot be discussed; that should be dealt with on the second reading. I think we will really get along much quicker if we discuss the various sections as we come to them instead of making general observations dealing with the whole bill.

Mr. MEIGHEN: What the hon. member says is strictly true, but I never yet saw the rule enforced, and I do not know how in the world it could be.

Mr. NEILL: On the title?

Mr. MEIGHEN: What I mean is, you cannot enforce the rule of not discussing the principle of the bill.

Mr. NEILL: We are dealing with the title only.

Mr. MEIGHEN: But the principle comes into everything, and usually any attempt to enforce the rule takes up more time than would be consumed by the discussion on the bill itself. The objection I have to this bill is that it is no good. There are objections in detail to this clause and that, but what in the world the bill is here for I cannot understand. The member for Brandon says that he supports the bill. We all know that; if he did not the bill would not be here, we would never have had it introduced.

Mr. FORKE: I might remind the right hon. leader of the opposition that he assumes to know everything that I know.

Mr. MEIGHEN: It is another tribute to the honesty of the hon. member that he did not deny it. Take the whole of Canada into account; this bill is to be paid for and all the money has to be provided by the whole Dominion. Leave out the three prairie provinces in the meantime, and you have six provinces left. Can anyone give me any suggestion of a reason why we should plunge into the arena and offer our money by millions to these six provinces? They are not asking for it; some of them have no crown lands at all. To those who have none, it is a joke to think of their coming in under this bill; their only privilege would be to contribute to the raising of the money. That is all they will get, but in the other provinces which have crown lands, the onus and responsibility for their settlement is solely provincial. That responsibility they are discharging and they are not asking our help. Why then should we address ourselves to them and say, "You do not know how to settle your crown lands. Here is some of the overflowing treasury of Canada; take that and see if you cannot do a little better." Is that not what we are really doing under this measure? Is the treasury of Canada so flush; is the ocean so full that we have to find new channels into which to divert it?

Mr. CASGRAIN: Was not that done in 1919 and 1920, when the highways were built?

Mr. MEIGHEN: Those were equally applicable to the other provinces; there was not any difference in that regard. The whole Dominion is interested in highways, for the reason that the people of one province traverse the highways of another; the people of Quebec are interested in the highways of Ontario and the people of Ontario are interested in the highways of Quebec. Even at that, many a bill has been introduced in this House with more justification than the highways bill of that time, and while I think the grounds were a thousand times stronger than in the present case, the experience of the highways measure was such as to warn us against transgressing even in a case so favourable as this. But here Ontario is not asking for this measure; New Brunswick, Prince Edward Island and Nova Scotia are surely not asking for more burdens, and that is what this measure brings. Is the cry from the west so plaintive and so appealing that we must do injustice to all the other provinces in order to plunge there and try to get more money out on loans? I do not think it is.

Let us consider the bill as it applies to the west. It covers homestead lands at present unoccupied, crown lands within fifteen miles of a railway. In the west it would be more objectionable if it went beyond the fifteen miles—that I admit; so we need not discuss the area beyond that limit. Let us take the

area within fifteen miles of a railway. It is open to homesteading now and has been open to homesteaders for, I should say, thirty years and probably longer. Not a man has gone on that land, or anyone who has gone on has abandoned it as a failure. What is the general presumption as to the character of that land? The general presumption, even on the part of those who do not know it and have not been over the territory, is that it is not good farming land or it would be occupied to-day by men who can get an entry for $10 and have only to make very, very moderate improvements for three years in order to get title to 160 acres. I know from my experience as Minister of the Interior that every quarter section of land that was farmable at all and a fit home for a settler, within fifteen miles of a railway, was continually in demand. I was called upon as the officers of the department were called upon time and again, to pass upon the claims of this man and that man. Many a time those claims were for land not worth farming. Now we are trying to bring in a high pressure policy, to force people to buy these lands as farm lands. Is it wise? We say to them, "We will give you money at 5 per cent interest; we will take it out of the treasury and make the other provinces contribute in order to see if we cannot get someone on that land, to make a farm out of it." I do not see any national object to be served. As a matter of fact you are not going to help that settler; you are going to get him into debt on a bad farm, and if there is any place in perdition worse than that I do not know where it is. Let me repeat; you are going to get the settler into debt on a poor farm.

We have any amount of good land in western Canada; a great deal of it is occupied, and what is not occupied is pretty far from the railway. The objective of parliament should be to create a market for the products of the farm, so that a man on a good farm can make it go. No man on a poor farm can make a success of it; I do not think I have ever known of an exception to that statement. This land, as a rule, is bad land. The hon. member for Brandon (Mr. Forke) says, "You are going to help the country more than you will help the settler." I would like to ask this committee how we are going to help the country if we do not help the settler. If by lending a settler public money you do not help him, in what imaginable way can you help the country? You cannot do it. You will only get the country into more debt and the settlers in debt, in turn, to the country—a debt which I venture to say at this distance of time will, in the great majority of cases, never be repaid.

The hon. member for Labelle (Mr. Bourassa) argues against this bill in the province of Quebec. By the way, how is it that when the hon. member is criticizing this government he always speaks in French, and when he is supporting it he always speaks in English? I would like very much if he would reverse the process. In so doing we would have a great many more French speeches by him and the educational effect of his speeches in this House would be much greater. I think, really, that that is the best effect his speeches have, at any rate those made in support of the government. The hon. member criticizes this bill on the ground that it will not apply to the province of Quebec because of the fifteen mile limit. For the very same reason it cannot apply to the western provinces, because within the fifteen mile limit the amount of land which men ought to try to farm is so limited that there is no call for the bill at all.

I suggest to the minister that he simplify the whole problem by giving the bill up. Let him add it to the long list of rejected statutory misfits which this government has introduced; add it to the Platinum bill; the Petersen contract; the single transferable vote, and I do not know how many others; add it to the long, long array of abandoned, deserted children of the administration.

Mr. STEWART (Edmonton): I am very glad, Mr. Chairman, to see my right hon. friend so facetious this afternoon, and I am also glad to see that he has such a wide knowledge of western homestead conditions. I take issue, however, with my hon. friend on a few points which he mentioned. I am willing to grant my hon. friend the wide realm of knowledge which he has exposed to the committee this afternoon; I am ready to admit that this government, as well as my hon. friend's government, have introduced legislation which has received severe criticism at the hands of members of this House; it might well he said that a very great deal of the legislation introduced by my hon. friend could be subjected to very severe criticism. But when he makes the statement that in western Canada there is no good agricultural land within fifteen miles of the existing railways, my hon. friend is very wide of the mark indeed. He might again visit western Canada and thereby increase his knowledge of conditions as they actually exist.

What is the outstanding difficulty, in western Canada and elsewhere? Is it not that we are entirely over-built with railways? Who is

responsible for that, may I ask my hon. friend? I do not name any particular government, but he will have to take his share of the responsibility, as will everyone else.

Mr. MEIGHEN: Not guilty.

Mr. STEWART (Edmonton): My hon. friend need not say that; the government of which he was a member is just as guilty as any other government, and to just as great a degree. We have this situation on our hands, and when my hon. friend says that these lands would have been taken up long ago if they had been of any value, he is again very wide of the mark. These lands have been passed up primarily for the reason that they are difficult to clear, and my hon. friend is quite right when he says that he as well as myself has been appealed to time and again for the purpose of easing up on the provisions so as to allow a man to earn a patent on these lands. For what purpose—for the purpose of getting a loan in order to let that man get on the land. That is the history of homesteading as I know it and as my hon. friend knows it, if he will only cast his mind back over his administration. Invariably when these loans are put on the land, they carry a rate of eight per cent interest, and sometimes more. The sole object of this legislation is to assist the settler who has the courage and the endurance to tackle this kind of land. May I say to my hon. friend that there is a very considerable area of lands within the fifteen mile radius in western Canada that are just as good as any land in western Canada that is now under agricultural development, and it was with the thought of assisting in their development that this bill has been brought down. If it is of no use to meet a situation of that kind, if it is wise to leave these lands that are within a reasonable distance of existing railways vacant and to put a badge of inferiority on them, just let them remain as they are and haul the tonnage past these lands, all right; we need do nothing about it. But my thought was otherwise. My object has always been to create intensive settlement, not to scatter it. I have frequently said in Alberta that if someone had put a fence across the province at the city of Edmonton and prevented people from going into northern Alberta our problems in that province would have been reduced a thousandfold, and probably that applies to every western province.

My hon. friend says that in the discussion of this bill we connot confine ourselves to the sections under discussion. Neither can I confine settlement. Wherever there is open land available for settlement, whether it is ten or twenty or fifty or one hundred miles from a railway, invariably you will find settlers flocking into that locality. Then we have demands for the building of roads and railways, and all that is incidental thereto.

These lands have been inspected by the Soldier Settlement Board—I am speaking now entirely of the three western provinces—and the board informs me that there is a very considerable area of these lands within fifteen miles of existing railways which have been inspected by them and which will warrant settlement, and warrant advances as settlement proceeds. Rather than have the settler struggle along for two or three years and become, in many cases, discouraged and leave his land, the hope was that with this meagre assistance—it is meagre, and at a low rate of interest as pointed out by the hon. member for North Simcoe—settlement would be encouraged. But if this assistance will be of no help to the settler, then we had better abandon the whole project, and leave the lands, as my hon. friend has designated them, as lands that are unfit for settlement. But I do not agree with him. Profiting from the experience the Soldier Settlement Board have gained in recent years in settling lands that were improved, I think we shall not have the large number of mistakes that were made in the past, perhaps in consequence of more immature knowledge with respect to settlement, and I think the bill will serve a very useful purpose.

With respect to the older provinces, there is no desire to interfere with their settlement. The claim has been frequently made in eastern Canada that this government does nothing, as previous governments did nothing, to assist in the settlement of the older provinces or to keep people there. As a matter of fact, there is a general demand from the older provinces that the federal government assist them to get more settlement; in Nova Scotia, for instance. I notice my hon. friends in the back benches appear to applaud those who opposed this bill. In the province of Nova Scotia there is an active demand that we procure settlers for them. For what purpose? Primarily to settle upon abandoned lands. There does not seem to be any particular demand for labour in those provinces, and that is the demand we get from them, and we have arranged with the government of Nova Scotia to bring in boys, whom they undertake to settle. The governments in the older provinces I am well aware are trying to settle their crown lands, and are making loans upon them. It is true that very few provincial governments are making loans on improved lands in western Canada, with the exception of Saskatchewan, but in British Columbia,

Ontario and Quebec, they are all doing something to try and settle their crown lands. In all probability the fifteen mile limit would be a bar in the case of the older provinces, but I am convinced, as is the leader of the opposition, that we should not go beyond the fifteen mile limit in western Canada.

Mr. HANNESSON: When this matter came up by way of resolution in committee, I mentioned some phases of this bill in regard to which I have not as yet received any satisfactory explanation. If Manitoba can be benefitted by this legislation, the constituency I represent may also be benefitted by it. Whenever immigration or settlement is discussed in this House it seems to be taken for granted that the expenditure will be made for western Canada alone. I would like to remind the committee that in 1924, of the 90,000 odd immigrants who came to Canada, 40,000 stayed in Ontario, and 15,000 in Quebec, so I do not see why it should be taken for granted that only western Canada will necessarily benefit from a colonization scheme, though people of discretion will probably go to the west. Moreover, the government has probably a greater responsibility in connection with western lands, because they still have control of the crown lands.

The suggestion has been made that this legislation could not benefit the settler because he must first make his improvements before he could get a loan. I disagree wholly with that view. If a man who is fitted to go on the land and settle knows he can get a loan when improvements have been made he will be able to find means of staying on the land, and if the land is adequate security for the loan, I would not oppose it on that ground at all. I can conceive of substantial good being done if it is possible for people to get loans as part of a colonization scheme, but the making of loans to individuals is not the government's responsibility, because they should not encourage people to go on the lands who cannot, under the conditions I am going to detail, make a success of farming, either for lack of money or because of certain mental and physical characteristics. The reason lands within fifteen miles of a railway in Manitoba have not been settled in the past is this: By virtue of their not having obtained patents municipal organization has been impossible and without it the settlers cannot do the very things that are essential to make settlement a success. This is the fundamental mistake the government has always made in colonization. They put on these lands people with nothing, or next to nothing, and they have no capacity by municipal organization to raise the money that is absolutely necessary to provide adequate roads and the drainage that is necessary. A man can work as hard as he likes and then come back to his farm, but that land is going to remain unproductive and he cannot make any headway if there is no municipal organization to provide the essential things the settlement needs. Settlements were made twenty years ago between the lakes. They tried or organize municipalities, and they are now disorganized. The settlers have not been able to make a success, not because they were unwilling to hew down the timber and clear the land, but because, having no municipal organization, they could get no drainage and no roads. Many have abandoned these lands, and unless the government realizes its responsibility in this respect, settlement on these heavy timbered lands, which are generally wet too, will not be a success, and so in connection with any assistance of the kind detailed in this bill the government should provide, as was done away back in the seventies and eighties, for a certain amount of drainage and road building to make settlement possible. Then, I maintain, these people will not need loans, or they will be able to get loans from private sources. That is why I asked the minister whether he was going to make any provision for a priority of municipal taxation, or whether he was prepared to give any undertaking that the taxes would be paid by the settler concurrently with the interest on the loan, and in the event of failure by that settler and the government having to take back the land, whether they would recognize the lien for taxes when they did so. I think these two provisions ought to be inserted in the bill because if you do not make municipal machinery and municipal work possible you are going to create an added difficulty for struggling municipalities so many of which have become disorganized in the last few years and in which the settlers have abandoned their lands. There is one other question I should like to ask and it is this: If the bill carries, would the settler who is now on crown land for which he has not received a patent be entitled to come under the act, and will the taxes created in respect to such lands have priority over the government loan that is now proposed?

Mr. STEWART (Edmonton): If the settler is earning his patent he undoubtedly will have the right to make application. If taxes have accrued against the lands they are not collectable anyway, and they could not have priority over a mortgage.

Mr. HANNESSON: They would in the case of an ordinary mortgage.

Mr. STEWART (Edmonton): I am speaking now of unpatented lands.

Mr. HANNESSON: Yes, unpatented lands.

Mr. STEWART (Edmonton): My hon. friend must remember there is no mortgage on unpatented lands.

Mr. HANNESSON: What I want to know is this: When the government propose to make a loan to the settlers, in such cases will they provide for the payment of the accrued taxes in case the settler now on unpatented land should receive a loan? A mortgage company would have to do that.

Mr. STEWART (Edmonton): They would be in the same position.

Mr. HANNESSON: That should be included in the bill.

Mr. STEWART (Edmonton): You cannot in such a bill as this cover all possible cases that may arise. I think it is safe to take it as an axiom that the federal government will not become responsible for taxes on crown lands. We have that difficulty at the moment, as my hon. friend knows in the matter of soldier settlement. Very strong pressure has been brought to bear on the government to assume responsibility for these taxes, but having given the matter very serious consideration, I do not see how it can be done. The only thing for the Soldier Settlement Board to do is to resettle these lands as fast as they can and make them subject to taxation.

Mr. HANNESSON: Will the government give the same assurance with respect to this bill, if it goes into effect, as they have given to the municipalities in the case of soldier settlement lands, that the taxes will be paid each year while the settler is on the land, and in case he is put off that they will be paid when the land is resold?

Mr. STEWART (Edmonton): I would want to take taxation matters into very serious consideration before venturing to pronounce any opinion with respect to them.

Mr. HANNESSON: Will the minister say that he will give as assistance towards the colonization aid to improvement schemes that will be necessary if settlers are put on these lands?

Mr. STEWART (Edmonton): Such a thing is not contemplated in the bill at all. As a matter of fact my hon. friend knows that it is a good many years since the federal government gave assistance to drainage schemes. Of late years we have repeatedly pointed out to the provinces that when they desired to go into drainage schemes involving crown lands we would turn the lands over to them at the price of one dollar an acre. That is the arrangement that was made between the prairie provinces and my right hon. friend who leads the opposition.

Mr. HANNESSON: The minister does not quite understand the situation. What I referred to was wet lands that had been homesteaded already, where conditions rendered it impossible for the settler to remain on them. I ask, is it worth while to put men on more lands of such a character under conditions that will not enable municipalities to finance the necessary improvements?

Mr. STEWART (Edmonton): I think I can say at once to my hon. friend that lands of that character will not come within the category of lands on which loans can be made because it would lead to trouble at once. Why should men be encouraged to go on lands of that character unless some provision is made for drainage?

Mr. BOYS: We will assume that the settler has gone on the land, remained there for the required period, put on certain improvements, obtained his patent, and then wants his loan. As I read the bill when the land is once patented it does not apply at all.

Mr. STEWART (Edmonton): No.

Mr. HAY: Coming from one of the large rural constituencies in the province of Manitoba, I wish to place myself on record with respect to this bill. In my opinion the measure will not help very materially to settle vacant lands within fifteen miles of a railway in Manitoba for the reasons pointed out by previous speakers. Those who wish to take advantage of the provisions of the bill first have to establish themselves on the land at their own expense, and afterwards make application to the government for a loan. I agree with the hon. member for Marquette (Mr. Mullins) that the security for such loans granted to the settlers will be practically worthless. We know that from experience. Those of us who have had experience in pioneering conditions, in Ontario and Quebec as well as in western Canada, know that the men who make good on the land are those who go there on their own initiative. I do not think the present scheme is practicable. I have heard the claim made during this discussion that the western provinces will

benefit from the proposed legislation to a greater degree than the other provinces of the Dominion. Speaking for the province of Manitoba, if I may be allowed to do so, I do not think it has made any demand for such legislation at the present time. That is my opinion. At any rate I have not heard any such demand from my people in Manitoba. I believe the bill will involve an added liability to the Dominion, and at the same time will not help this country to any material extent. Consequently I join in the opinion which has been expressed by other speakers that the bill might very well be dropped for the present.

Mr. WARD: I may say that I am in favour of the bill. I was somewhat disappointed to hear the remarks of the hon. member for Springfield (Mr. Hay) and also the hon. member for Marquette (Mr. Mullins). I am not surprised at the remarks of the right hon. leader of the opposition. I think he has been so long detached from western Canada, and from the conditions there, that he has lost touch with questions of this kind. I stand squarely behind this legislation. A number of hon. members who have spoken have failed to appreciate the difference between the possibilities of settling on a homestead or a new location to-day and those which existed twenty years ago. I venture to say there is not a member in this House from western Canada who homesteaded, say twenty or twenty-five years ago, who will stand up here and say that he would not regard with some fear the possible success he might experience in attempting to homestead under the conditions which prevail at this time. It is impossible for anyone without any money to homestead at this time such lands as are available in western Canada and that is the reason why our people are not homesteading. It is easy for hon. members to stand up in their places in this House and talk about what they did twenty-five years ago. I homesteaded twenty-five, twenty-six or twenty-seven years ago and I know many others who homesteaded about that time and were successful, but I would not attempt to homestead to-day without any money and in the belief that I would be successful. It "can't be did"—that is all. The standards of twenty-five years ago are not the standards of to-day. When I homesteaded, if I had a good suit of overalls I thought I was pretty lucky. That is not the case to-day. In those days you could purchase lumber for ten dollars a thousand; to-day it costs about sixty or sixty-five dollars a thousand, and other things cost in proportion. It is unfair to expect a new settler to go back to the standards of thirty or forty years ago.

This legislation is the first approach to anything tangible in the direction of a real settlement scheme. Australia is spending money by the hundreds of millions on settlement. It has been my privilege to discuss the question of land settlement in Australia with members of the Australian government and they tell me it is the finest scheme that has ever been introduced into that country. They have almost to build fences around Australia to keep the people out. We must spend money if we are going to get settlers on the land. I hope this bill passes because it will be a real boon not only to the western provinces but to many other parts of Canada. I am sure any hon. member who has travelled through western Canada and has seen the millions of acres of good land lying along our railways with no settlers on it must be impressed with the necessity of putting people on that land in order to furnish traffic for the railways running through those areas. In fact, I would have favoured a more extensive scheme and I am sorry the amount has been reduced to $1,000,000. I think $5,000,000 was little enough; I had hoped the $5,000,000 would all be spent this year and $5,000,000 a year would be expended for a number of years, because I am sure this would be advantageous to Canada from not only a railway but a commercial point of view.

Mr. MANION: I am sure the minister after listening to the remarks of the hon. member for Dauphin (Mr. Ward) must feel like the man in the desert who has not seen water for a long time, because most of the discussion in this House this afternoon from all sides has been condemnatory of this legislation. The hon. member for Dauphin followed the habit that is becoming rather prevalent in certain sections of this House, of taking the attitude that when the leader of the opposition (Mr. Meighen) opposes anything, he therefore is doing so simply for political reasons. I listened very carefully to the speech of the leader of the opposition and he put up arguments that were unanswerable and that have not yet been answered. Furthermore, when the hon. member for Dauphin states that the leader of the opposition has been detached from the prairie provinces, I might point out to him that he is not half as much detached from the prairie provinces as some forty or forty-five Progressive members were detached on October 29 last. He is still attached to Portage la Prairie, and besides that he is a farmer on rather a

large scale, probably on a much larger scale than the hon. member for Dauphin. That is by the way.

I have been listening to the discussion this afternoon, and while I do not pretend to be any authority, even of the slightest kind, on settling lands in the prairie provinces, I have noticed that most of the legislation coming in this year is apparently brought in entirely for a sectional reason. Nearly everything that is brought in deals largely with the prairie provinces. Nobody wishes the prairie provinces better success than I do; I want to see them progress with the rest of Canada; but I notice whatever government immigration scheme is brought in it is for the prairie provinces. The tariff is going to be reduced because the prairie provinces desire that; the Hudson Bay railway is going to be completed because that is the desire of the prairie provinces; this land settlement scheme applies practically entirely to the prairie provinces, and coal is to be brought from Alberta because the prairie provinces will be benefited thereby.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I have no objection to any of the assistance which we give them, but I think this government is the government of the Dominion of Canada and not just the government of the prairie provinces. Furthermore, I consider this legislation has been brought down in an unprepared condition. The very fact that the minister to-day cuts down the allowance which he is going to spend on this scheme from $5,000,000 to $1,000,000 shows that the legislation was not prepared. To bring in a bill for the purpose of spending $5,000,000 upon a scheme of this kind and then to cut the amount himself at one slash from $5,000,000 to $1,000,000, does not speak very highly of the preparation given to the bill.

As regards immigration, I listened as carefully as I always do for educational reasons at least, as my leader said, to the speech of the hon. member for Labelle (Mr. Bourassa), because he speaks his beautiful language in such a manner that most of us, even those who are tyros at it, can follow his remarks. I say that with no disrespect to those who do not speak it as slowly and carefully as my hon. friend. He brought out the point that Quebec would not benefit very much by this legislation. There is a great section of this country which should be given more attention by this and any succeeding government than it has been given in the past for the purpose of settling the land, and that is the great section of northern Ontario, that gap between North Bay and the Manitoba boundary, which has an area as great as the countries of Germany and France combined and yet which has a population of, perhaps, a couple of hundred thousand people. It contains hundreds of thousands of acres of good agricultural land when it is cleared. It is bush land, land which the good French-Canadian people love to settle upon and which many people in Europe would be glad to settle upon. It is an immense gap extending for some 700 miles between North Bay and the Manitoba boundary where the railways do not get the traffic they should, across which three railways run, and which should be built up if at all possible to provide traffic for those railways in that section where railway traffic is most scarce. That applies also to the northern sections of Quebec. I believe in such questions as this we should bring in bills more applicable to the whole of the Dominion than just, as the minister pointed out himself, to the prairie provinces. He mentioned earlier in his remarks this afternoon that he had not consulted with Ontario or Quebec or the other provinces. He said that he wanted to get this legislation through, to have this bill pass the House, and then he would consult with the other provinces. Might I ask this honourable House if that is the time to consult with Ontario, Quebec, the Maritimes and British Columbia as to bringing about settlement which will apply to them as well? I would suggest to the minister that the time to consult with Ontario, Quebec and the other provinces, outside of the prairie provinces which are directly affected by this legislation, is before the bill becomes law and not after, and I make the suggestion, with the best of intentions and with no politics back of it, that this bill should be held up; that the minister should consult with Ontario, Quebec, the Maritimes and British Columbia as well as the prairie provinces, of course, and get their ideas upon some form of a bill which, when brought in, will help to settle those vast lands of northern Ontario and Quebec, which will help to bring back settlers into those lands in the Maritimes and in British Columbia as well as in the prairie provinces. I do not think it is fair to the rest of this country that on nearly all occasions the other provinces should be asked simply to foot bills the effect of which is to settle people only in the prairie provinces. I suggest in all sincerity to the minister that he should hold up this bill, consult with the other provinces affected, and endeavour to bring in a bill

which will be satisfactory to all sections of this country instead of merely to the prairie provinces, and apparently the present legislation is not very satisfactory to them if we are to judge by the speeches which we have heard from all parts of this House to-day.

Mr. NICHOLSON: I want to say a word on two phases of the question before the House. First I desire to support what has been said by my hon. friend (Mr. Manion). Listening to the discussions in this House, one would fancy that there were no agricultural lands left in any part of Canada except the prairies; but anyone who knows anything about Quebec and Ontario knows exactly what my hon. friend has pointed out, namely, that there are hundreds of thousands of acres of the very best agricultural land waiting for settlement in the northern parts of those two provinces. At this point let me say that if in working out schemes of this character something were done for the lands referred to by my hon. friend (Mr. Mullins), similar to what has been done in northern Ontario and northern Quebec, where the governments, by means of the construction of highways and through drainage on a large scale, before the settler goes on the land, have spent their money to open up the country and make it accessible to men desiring to settle, people would much more readily take up agriculture. I make that general observation in passing.

Coming to the principle of the legislation—I understand we are discussing the preamble to the bill—I want to ask the government how many of these schemes are going to be presented to parliament. When the estimates were brought down some time ago considerable noise was made about the saving that was being effected this year in comparison with last year. Have all these schemes, involving the expenditure of millions of dollars, been taken into consideration in the preparation of those estimates? This is just one bill; there are several others to be dealt with, one with regard to old age pensions, which will entail an expenditure of twenty or twenty-five million dollars, another with relation to rural credits, others in regard to railways, and so forth. These various proposals are to be submitted to parliament, and the haphazard manner in which they are being introduced, as my hon. friend from Fort William has suggested, is evidenced in this very discussion to-day. The minister, after preparing this bill himself, does not know apparently how much money he really requires. On a former occasion he informed the House that he wanted $5,000,000 to carry out the proposals of the bill, but to-day he finds that he requires only $1,000,000. How did the minister arrive at that estimate of $5,000,000, when he can be persuaded to reduce it now to $1,000,000? Does not this very fact suggest that we should pause to consider the direction in which we are travelling in the matter of these expenditures? The purpose for which the last parliament was dissolved and an election held, if the Prime Minister's words mean anything, was that the peoples' representatives might deal with such outstanding problems as railway transportation, taxation and questions of equal importance. And this is the way in which we are dealing with those great problems: we are solving them by bringing in slipshod measures to which mature consideration has not been given,—measures that will mean an addition to the burden of debt under which the people of the Dominion are now suffering.

Mr. STEWART (Edmonton): Let me say in reply to the hon. member for Fort William (Mr. Manion) that what has been said in regard to the efforts of the government in the past to secure settlers for western Canada is undoubtedly true, for the reason that the desire then was to fill up the western plains. That that settlement has been profitable to the rest of Canada no one will deny. But the same thing is not true to-day. You cannot have now a colonization policy that does not apply to the whole Dominion. Considerable sums have been spent to move settlers from Quebec into northern Ontario, and if my hon. friend will consult the representatives of that part of the country, he will find that a large migration has taken place in that direction.

Mr. MANION: Has the money been spent by this government?

Mr. STEWART (Edmonton): To some extent.

Mr. ARTHURS: Voted in what way?

Mr. STEWART (Edmonton): This government has spent some money although not to any great extent.

Mr. ARTHURS: Under what vote?

Mr. STEWART (Edmonton): Under the immigration vote. No one can travel through northern Ontario, as one must do to go to western Canada, without realizing that there is a vast area of agricultural land in that section of the province. That land we have tried to advertise just as well as other lands in the Dominion available for agricultural purposes, and it is not true that people from the Old Country are all going to western Canada; many of them are going into the

northern parts of Ontario and Quebec It was to assist generally in such settlement that this bill was prepared. My hon. friend (Mr. Nicholson) is critical because of a reduction in the amount asked for. I was asked a pointed question the other night by the hon. member for West Calgary (Mr. Bennett), whether in my opinion we required $5,000,000. It is apparent, I think, that we shall not require and cannot spend any considerable amount during the present year. It was therefore with a desire to secure the support of the committee in something that did not appear extravagant, but which nevertheless would be effective, that I reduced the amount. I assure the committee that this government does not desire to spend a great deal of money; one of the things that we seek to avoid every day is unnecessary expenditures. It is however our wish to assist in the development of the country in order to increase our population, particularly on agricultural lands, and our expenditures are all aimed at that object. If development can take place on the land, then the whole fabric of industry is bound to feel the beneficial effects. Having that in mind I reduced the amount. I rather resent being criticized for having tried to meet the wishes of parliament. Of course, I have no objection to make if hon. gentlemen are of the opinion that the bill is no good and will not serve the purpose for which it was introduced, although I take issue with that suggestion.

Mr. ARTHURS: We did not say that.

Mr. STEWART (Edmonton): Some hon. gentlemen have been saying it.

Mr. ARTHURS: The purpose for which it was introduced might be a different matter.

Mr. STEWART (Edmonton): I leave that to my hon. friend. If he has an idea that any ulterior motive is behind the bill, he is welcome to say so. But I wish to assure the committee once more that it was my sincere hope in introducing the bill that it would meet a situation which we have not met previously. I repeat what I have pointed out on several occasions, that my information is that the lands which will be benefited by this scheme and which have been inspected by the Soldier Settlement Board lie within fifteen miles of existing railways, are good agricultural lands, perfectly suitable for settlement, and lands which men can develop if they are given an opportunity. If the bill does not meet the requirements I shall be surprised, but I think it will. That is my opinion, based even upon my own knowledge of the situation.

Mr. MEIGHEN: Both the minister's former speech and the present one are intended to convince the committee that there is a field for the application of the bill in what are known as the scrub lands of the west, lands that are hard to cultivate and hard and very expensive to bring into a state in which cultivation is possible. I am afraid the minister has not convinced me. I do not think there are lands in quantity within 15 miles of a railway which are not either so heavily scrubbed as to be valueless for homesteading or for some other reason are not security for $500 or $1,000. In the first place, neither $500 nor even $1,000 will go very far towards clearing these lands. The minister may get his man on the land and leave him to put the $500 of his mortgage to this purpose or that. But when he goes back next year he will find the scrub there still and the mortgage on it, too, and it will be a pretty scrubby mortgage. The minister will find that he will lose this money. I speak rather feelingly on the subject because I have had some experience myself. You cannot get those lands cultivated by a system of government subvention. I will put the case in a nut shell this way: Do not try to help the settler by helping him into debt; help him to get out of it. If you get more people into the district, then it will be far better to sell the land at $1 an acre or anything you can get for it at auction; for the man who buys it will have to see that is cultivated pretty soon or his taxes will eat him out of house and home. If you get people into the district, then the economic conditions will invite cultivation of land like that; but to try to force cultivation in advance by government loans means loss of money, and it does not get settlement. The minister knows as well as I do that in western Canada, in Ontario even—I doubt not in Quebec, although that is likely there; certainly in the Maritime provinces—there are large acreages of abandoned land now, and a lot of it is pretty good land. I have seen in Prince Edward Island just about as nice a farm as one would want to live on, abandoned, the farmer gone. There are doubtless several reasons for it; but in the face of that situation, with land privately owned that can be bought for almost nothing, how can you justify taxing those people in order to force a premature cultivation of heavily scrubbed land in the west? And especially how can you justify taxing the owners of land in western Canada—of fairly good land which cannot be made to pay even to-day; at least you cannot get people on

it—how can you justify taxing those people in order to force new land under cultivation?

Now, I know Saskatchewan and Alberta have not been invaded by the modern weed quite to the degree that Manitoba has, but it is moving in that direction, and instead of seeking to force virgin land under the plough by this piece of legislation and that, by this subvention and that, it would be far better to intensify work on the land already under cultivation—and there is far more of it under cultivation today than we are getting results from—I say, it would be far better to intensify cultivation on that land and by assistance restrict the inroads of these weed pests. The more land you bring under cultivation the harder that problem is.

I do not believe in trying to anticipate the future, in trying to get more and more land here, there and everywhere under the plough. As a matter of fact what good is it going to do the farmer to get more farmers there? Get people to use the farmer's products, and you help him. How is it we are exerting ourselves so much to get somebody else to produce more grain? Everybody seems to agree—some on this side of the House—that we ought to concentrate on getting more people on the land. Well, I never had any sympathy with that view at all. I want to get more people of all occupations into this country. From the standpoint of the farmer, the more people you get in other occupations and the fewer in his the better for him. You are not helping the farmer by adding to his competition, while at the same time those who consume his products are dwindling. I do not believe in this special legislation to coax, cajole, bribe people to go on the land. They will go on the land if you make conditions such that it will pay them. We will make the land pay by our policies, which would add to the population of the country. Now, there may be other policies aside from those which we habitually press upon this House; doubtless there are. But one of our policies is not to take hundreds of thousands of dollars out of the treasury to force into premature cultivation lands that are not needed to be under cultivation at all, because of the great excess of lands that are already under cultivation. Scores of thousands of acres of land, even in our western country, have already been rescued from the scrub; millions of dollars have been spent to bring the land into that condition, yet to-day it is not half cultivated. This is still more true, let me repeat, of the older provinces. Under these circumstances it surely is not a wise policy, it certainly is not an economic policy, to be making provision at this time of day in our legislation for millions of dollars of public money to be loaned in these ventures on very hazardous security.

[Mr. Meighen.]

Mr. MOTHERWELL: Mr. Chairman, the House has already twice committed itself to the principle of this bill, first when the resolution was before the House and to-day when the bill was given second reading. Yet the discussion is along the line of the whole principle of the bill. Now that we are in committee of the Whole there are a number of details in the bill that I think I could agree to change myself. So why hold up the bill at this stage when we can now discuss it section by section and see if it can be improved in any respect? As I say, the principle of the bill has been endorsed twice by the House, yet the right hon. leader of the opposition (Mr. Meighen) and the hon. member for Fort William (Mr. Manion) would apparently now like to see the bill thrown in the waste paper basket.

Mr. MANION: We endorsed the principle of the Petersen contract, too, and kicked it out afterwards.

Mr. MOTHERWELL: We are not discussing that just now. The gentleman concerned in the contract, for obvious reasons, could not proceed with it any further.

Mr. MANION: After it was kicked out.

Mr. MOTHERWELL: The right hon. leader of the opposition says that by no system of subvention are you going to succeed in settling these lands. Is this a subvention, Mr. Chairman? Is it not a loan? My understanding of the meaning of "subvention" is something given as a grant or bonus or subsidy. This is a loan, and it might just as well have been said of the system adopted by the United Kingdom over a hundred years ago—of assisting men by loans to settle in Ontario—that it could not possibly succeed. But it did succeed. And the same system is just as applicable in these days. At no period in the history of this country during the last hundred years has there not been some assistance given to men to go on the land. During the last forty years on many occasions the government of the Dominion has granted seed grain loans to homesteaders to a larger extent individually than the extent of the loans provided for in this bill.

Mr. MEIGHEN: Would the minister state what money was loaned by the British government for land settlement in Ontario?

Mr. MOTHERWELL: The assistance was given to individual settlers before there was representative government here.

Mr. MEIGHEN: Assistance was given to the Empire Loyalists by the Canada Company, but the Canada Company was not the British government.

Mr. MOTHERWELL: Immediately after the Napoleonic wars ex-service men were assisted to come out to Canada. And my right hon. friend opposed assistance to ex-service men the other day.

Mr. MEIGHEN: That is another bill.

Mr. MOTHERWELL: All of a sudden it has become an offence to assist land settlement. My right hon. friend seems to be filled with suspicions to-day. Everything is construed to have some sinister purpose. We are to gather political support by means of these loans, it is said. As a matter of fact we are carrying out in a different way the same kind of assistance that has been given as long as I can remember. I know as far back as 1870 seed loans were granted to the farmers of the west, and similar loans have been made a dozen different times since then. Now that it is given in the form of a settlement loan we are told it cannot succeed.

Mr. MULLINS: How much money of his own would the minister put in a proposition of this kind, knowing the west as he does?

Mr. MOTHERWELL: I am not a money-lender at all, but I know that assistance to men at the stage of their experience contemplated by this bill, if given wisely, is productive of magnificent results. But to oppose indiscriminately the whole principle of assistance astonishes me. I do not know my right hon. friend's genealogical tree, but I venture the guess that his progenitors were assisted in some way to come to Canada. I know mine were, and I think very few of the old timers in Ontario did not receive some form of assistance. You see some of the old logging apparatus lying around the farms yet.

Mr. MEIGHEN: My people were not assisted, and I will put the results of that policy against the results of the other.

Mr. MOTHERWELL: Look at what Canada would have lost if the forefathers of my right hon. friend had not come to this country. I do not know what has happened to my right hon. friend to-day, but he has taken a different course from any he has ever taken before. I do not want to attribute any particular motive, but now he does not want this bill after it has twice been endorsed by the House. I am not much on order or orthodoxy, but I think this is a most promiscuous way of dealing with the question. Why not start at section one and see where we agree and where we differ?

Mr. MEIGHEN: We have heard many charges against the British government in days gone by, but until to-day I never heard that they were responsible for the family of the hon. Minister of Agriculture coming to Canada. I have wondered for some days what this system of British government loans on farm lands in Canada was, to which the hon. minister referred. I cannot speak with the authority of antiquity which my hon. friend can command, but I never heard of it before. I know there was assistance given on the principle of a reward to the soldiers, especially those who came to this country during the war of 1812 and who wished to stay, but we are now told that there was a system of loans on lands for the purpose of settlement, made by the British government. If there was such I must frankly admit that I have never heard of it. In the district from which I come, which is some distance from the district of the minister, there was a system of loans by the Canada Company—I think that was the title of the company—but I do not know of any relationship between that company and the British government. From that company the settlers of western Ontario obtained loans; it was a loan company only, and I think if my hon. friend will go back and trace the family Bible of the Motherwells he will find that there was no assistance of any other kind in eastern Ontario or in the county of Lanark.

Mr. MOTHERWELL: Yes, there was.

Mr. MEIGHEN: Unless it was given to soldiers, and that is another matter. There is just one other question on which I would like to touch, and that is the argument that this measure has been endorsed twice by the House. The minister will remember that when the bill was before the House, so many suggestions were made going to the root of the matter which the minister promised to take into account, that we let the bill have first reading. It was then thought better to go to the second reading in order that these proposals could be discussed. The minister handed me the only proposal, so far as I know, which he intends to incorporate in the measure. I would give this word of advice to the minister—that he withdraw this bill. I do not think he is in much danger, but I do say that if he is minister five years from now he will rue the day he ever urged this measure upon parliament.

Mr. EVANS: While not enthusiastic for the bill I do think there is need for this class

of legislation. Apparently it is opposed to-day by a number of hon. members because it is thought to be a measure for western Canada, and anything of that nature is opposed as a matter of course. It is taken that this measure is for western Canada entirely, and some hon. members have already expressed themselves as being tired of supporting the west by legislation of this kind. The people of the west have not particularly asked for it, but I do think that if a man wants to get on the land he should be assisted to do so. There are many such men to-day in the cities; they would be glad to go on a piece of land they could call their own if they could only be sure of having sufficient provisions until some improvements are made. That is a most worthy ambition, and I think it should be supported.

So far as I can see by the bill the loans will be given in instalments, as improvements are made. I really think this measure is needed; any scheme that will put the people back on the land should receive support. Why such a scheme is needed is, of course, another question. The right hon. leader of the opposition (Mr. Meighen) admits that if the industry paid its way there would be no need of such assistance. I only wish the right hon. gentleman would apply that principle to all industries in Canada. If an industry can pay its way, surely plenty of people will go in for that industry. The fact is that with the exception of agriculture all our industries have been built up by subventions, if my right hon. friend cares to use that word. I quite agree that you cannot build industries on subventions, as the right hon. gentleman has stated in this House many times during this session, and just now the industries so built are tumbling down on every side. This is a different scheme, simply a loan which is to be paid back within ten years, I think, of the time the settler makes entry.

I would like to answer an accusation which was made by the hon. member for St. Lawrence-St. George (Mr. Cahan) when discussing this bill the other day. The hon. member seems to think that the more settlers there are in western Canada, the more the east will be called on to pay for the hauling of their wheat to the seaboard. He said that $6,000,000 was lost last year in that way—a statement made in utter ignorance of the facts. He also said that the east has borne the burdens of the west long enough, but such is not the case. Anything that has ever been done in western Canada to further the settlement of great tracts of land has been to the benefit

[Mr. Evans.]

of the east, and surely there can be no particular opposition to this bill, which is so small in its scope. It will not be generally taken advantage of. In my estimation $1,000,000 would pay the first year's instalments, and I do not think more than that amount would be required in any single year. I do not think this country can do better than encourage our own people to go on the land and stay there. Other governments have been accused of being more willing to help foreigners than to help real Canadians, but here is a scheme which will put real Canadians on the land, and it certainly puzzles me to hear it opposed. I hope the minister will not see fit to withdraw the bill, and I trust that it will receive the support of the House.

Mr. McGIBBON: I hope the minister will be good enough to withdraw this bill. Charming as is his personality, and able as he is to get legislation through this House, I can assure him that this is a measure which does not appeal to the House or the country. The great thing the people of this country are desiring to-day from the government is economy. People are burdened and sick of taxation; it bears down upon them, ruining industry and diminishing the employment of labour. Yet this government does not seem capable of realizing in the least the necessities of the hour.

Some hon. members have said they can see no virtue at all in this bill. Looking at it from the standpoint of the Minister of the Interior and the political necessities of the hour, I can see considerable virtue in it. In the first place, the settler has to be approved by the minister or by his agent. Secondly, the improvements he makes on the land have also to be approved by the minister or by his agent. Thirdly, after he gets his loan sanctioned by the minister, the minister and his agents are going to step in and tell him how he is going to dispose of the money. I submit, Mr. Chairman, that no self-respecting man is going to bow the knee to any government or even accept a gift from them of one hundred or one hundred and sixty acres of land, with five hundred or one thousand dollars thrown in, and have himself tied up to the government in that manner that this bill would tie him up. It is an infringement on his liberties as a citizen of this country, and it is something the average man will not stand for.

This bill is lacking in two essentials to any successful settlement scheme. The first essential is to get the proper individual; that I think is the greatest asset in any undertaking.

The minister says in effect: I am going out into the highways and byways to gather up men and put them on these lands. I am going to give them a hundred or an hundred and sixty acres of land and five hundred or one thousand dollars in money. Hon. gentlemen opposite are indeed living up to the name of their party and trying to prove themselves liberal. I submit, Mr. Chairman, that this scheme was condemned as a failure when the minister informed us where he was going to get these settlers. Farming to-day, as everyone knows who has had anything to do with it—and I have spent some years on a farm myself—is not an occupation that anybody can make a success of, yet the minister says he is going to pick up, in the cities and towns and villages, people who have been failures, more or less, or they would not be leaving; transplant them on farms which he himself admits are second or third class farms and where the settler will have no earning power for the first three or four years. And he expects these people to make a success. The thing to my mind is utterly false in its conception, and in its operation will work to the detriment of this country. I am not a prophet, but if this scheme goes through I venture to say that it will have the soldier settlement scheme beaten by miles in the losses heaped upon this country, having regard to the capital invested. What has the settler to do? He goes out and locates a bit of land; he does a bit of work on it. The next thing he has to do is simply to get an inspector to pass on the land, and that is not very difficult. Then he gets his loan, and once he gets the money, what will he do? If he is sick of the farm, he will put the money in his pocket and walk off, and this government will be loaded with the loss.

I submit, Mr. Chairman, that the minister ought to withdraw his bill. There has been no demand for it from any of the provinces, unless probably the province from which the minister comes. It is unworkable. It is unfair relatively to the different provinces. I submit that it is also unfair to any man to put him on land where his earning capacity is going to be at a minimum for three or four years, load him with debt, and expect him to make good. I say here in the House of Commons, as I have said before, that the greatest curse that can be put on a young man is debt. I do not care whether he is in a profession, in business, or on the farm; the greater the debt you heap upon him, the greater injury you are doing him. Invariably you destroy his manhood, more or less, and destroy his power of developing, mentally at least. You are doing that man one of the greatest injuries that you can possibly do to any man. I submit that in a country like this, with the millions and millions of acres of land that we have, schemes of this kind are absolutely irrational and useless.

Mr. LETELLIER: With your permission, Mr. Chairman, I should like to inform the Minister of Immigration of the great advantage I derived in attending last fall a farmers' convention in the city of Montreal, under the auspices of the Catholic Agricultural Association of the province of Quebec. I am proud to say that this question was brought up at the convention by some of the real farmers of the province of Quebec. Fathers of large families had been asking whether it would not be possible for the association to pass a resolution urging the government to pass legislation with a view to helping those farmers who were anxious to establish their sons on farms in areas where the timber had been cut by the industrial companies and where the land was really first-class for farming. Many of them claimed that if they could obtain the least help from the government they could keep their sons at home, and I know of many families in that situation, Mr. Chairman, in my constituency, especially in Martinville, Compton, and Marsboro. I really believe that if this legislation is passed and well administered, if the settlers are chosen in good faith, if farmers or the sons of farmers who have been brought up on the farm and have learned the most practical way of farming are put on these lands, the government will obtain the very best results.

Some hon. gentlemen have referred to mistakes that have been made in the past in connection with legislation similar to this. As an illustration I would mention the case of a number of returned soldiers who were established on farms. Many of them were without any real qualifications for farming and were lacking entirely in experience. A number of cases, illustrating their utter lack of experience, came to my own notice where the soldier settler paid as much as $125 or $150 for cattle that were not worth $60. In the case of the present legislation it would seem that the mistakes of the past have been guarded against. I would ask the minister, therefore, to insist upon the bill going through, and would urge hon. members to support the measure. I am sure that if the settlers chosen are men of experience in farming and the legislation bill is well administered, it will be productive of the happiest results.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. STEWART (Leeds): There has been a good deal of discussion of this proposition both in the resolution stage and on the bill as it is now before the committee. It is unfortunate, perhaps, that our discussion in the resolution stage was not more full and complete than it was. I propose to discuss in a general way the object which this bill has in view. It appears to me to be one of those schemes that look very well on paper, but when we come to apply it to actual conditions and to see just how it will work out, we find many defects and weaknesses in it. The minister has given the House and the committee a great deal of information, but I do not recall that he cited any schemes like this that had ever been tried out and had proven to be successful. We would be more ready to receive the proposal favourably if we had not recently been called upon to consider the revaluation of soldier settlers' land, in connection with a scheme which was originally well conceived, which was surrounded with all the precautions that could possibly be taken and which had the very worthy and desirable object of settling our returned soldiers on the land. We are now called upon to make a revaluation of those lands, and there is no doubt whatever that we are facing a very large reduction in the indebtedness due to the Dominion in that connection.

What is the scheme that is now before us? It is a plan to settle people upon lands that have been found undesirable, lands that have been passed over, lands that are inferior to other lands in the same locality. I cannot think of any greater handicap that could be placed upon a settler than to induce him to go upon land that is not likely in the near future to yield him a reasonable return, land that will be difficult to develop, difficult to cultivate and difficult to make productive. A second handicap is placed upon him by setting an indebtedness against that land. If a farmer is to succeed, the first essential is that he be placed upon land that is good in quality, that is easily developed and that will speedily bring him a return.

There does not appear to be any real general demand for this legislation. So far as I have been able to ascertain, no province has made any special request for it, and there have been no petitions or anything in the nature of a volume of public opinion asserting itself in favour of it. The further we go the more lukewarm we become in our attitude toward this proposition. There is another objection which I think is pretty generally admitted by all parties in this House, namely, that several of the provinces will derive no benefit at all from the proposal because of the conditions prevailing in those provinces. I think that if any money is appropriated for the purposes set forth in this bill it should be divided among the provinces on the basis of population, and there should not be available for any one province any more than its fair share on that basis. The amount first suggested, $5,000,000, has been reduced to $1,000,000. That sum, if apportioned in this way, is so small as to produce practically no desirable results.

The scheme is full of complications and of difficulties, and in a way is in conflict with provincial jurisdiction. Priorities of claims and all sorts of liens for taxes and other equities and rights arise, all of which will be difficult of settlement. It does appear to me however, that the greatest, the most serious objection of all is that we are undertaking to place settlers on undesirable lands, thus handicapping them: we are inducing them to undertake a venture in which they are not likely to succeed. And more than that, we are placing them under an obligation from which it will be difficult for them to free themselves. For that reason I do not feel inclined to support the scheme just now.

Mr. ANDERSON (Halton): I do not intend to speak at any great length in opposition to the measure, but I do feel that it is not one that will serve the purpose of securing settlers to take up land. I do not think that $1,000 in the way of loan to the average Canadian citizen is going to assist in getting the right sort of man to go on the land. I do not know anything about the nature of the soil in western Canada, where this scheme proposes to place settlers, but I do know that the average man who wants to go on a farm and cultivate it will not be induced to do so by the prospect of getting a loan of $1,000 from the Dominion government, even at the low rate of interest of five per cent. And so far as getting immigrants from outside is concerned, immigrants from the continent of Europe, I hardly think that a loan of $500 will be the means of bringing into this country the kind of agriculturists we desire. I believe, of course, that we should make every effort to secure more immigrants, for undoubtedly we need an increased population. At the same time, we want the right kind of people to come in and not merely those who are to be assisted in

this particular way. Any man coming from the Old Land who has not sufficient money to start farming on his own account will certainly not be assisted by a loan of $500. Such an advance will not place him in a position to cultivate land in the Canadian west, or, for that matter, in any other province of Canada. It seems to me therefore that, as a means of colonizing the country, this measure will prove utterly futile.

I would stress another point which I have mentioned before. It is this: The farming community is about the only section of our population that desires competition and more competition in its particular business. That is something that is being discussed in this House. Members of the Progressive group, when they first came into this House in 1921, frequently referred to the necessity of getting more people to take up land in Canada, but I am interested to observe of late that there is a tendency on the part of these hon. gentlemen to ignore that aspect of the question. They are not talking the same way now. I suspect that they are coming to the conclusion that there are other spheres of activity in Canada in which immigrants would be of more use to the country, especially when we are producing from the land more than the people can consume.

In my opinion the government will only be adding to the debt of the country by putting this measure into force. It will be absolutely of no avail in building up a sound yeomanry that could be of value to the rest of Canada. I am therefore disposed to vote against the bill. The Minister of the Interior (Mr. Stewart) seems to be satisfied that this legislation will advance the interests of the west. He probably knows more about that than I do and I should take his word, to some extent at all events. I think, however, that it is possible for even a minister of the crown to be mistaken.

Mr. FISH: The object of this bill is to secure settlers for just two or three of the provinces, for I cannot see how it will get settlers to go on the land in other parts of the Dominion. In the older provinces the conditions are to-day, as they have always been, such as would readily lend themselves to legislation of this kind to encourage immigration. I can speak, of course, only for the province from which I come. In that province the settler can obtain land merely by applying for it, and the conditions under which he gets his title are very simple. Practically all he has to do is to make a home for himself; he builds a house on the land, clears a few acres, and that gives him his title. I do not see how that province can be assisted by means of this bill in the matter of securing immigrants.

We had in our province some years ago an act which I presume is still on the statute books, but which has fallen into disrepute. At any rate it is no longer invoked. That act provides that the government shall advance money to settlers to enable them to clear their land for cultivation. Let me show how it has worked out—and my opinion is that the legislation now before us will have the same effect. In passing, I may observe that I have not yet acquired that confidence in my fellowmen which, judging from the debate that has taken place in this House this afternoon, seems to prevail among certain members of parliament. The individual is apt to be unreliable when it comes to collateral security, and in addition to that he is well endowed with ingenuity. Now, if under this bill money is advanced on the basis of weak collateral, what will happen? The government will be saddled with lands that are of no use. We already have an illustration of that in the case of the rural credits system. Why is it that so much of the money lent out under that system has not come back to the provinces? Simply because the collateral is weak, and you cannot force payment. That is just what is going to happen here if I can read the bill aright. We are to advance money on land to a farmer or a person of any other occupation, and he will use that money just as he likes. The government probably will not have any control over the money, but he will. Whether he ever returns it or not will depend a good deal on how matters go with him; if easy, he will return the money, otherwise he is not likely to do so. In the case of our provincial government, as I mentioned a few moments ago, this happened—and it will happen in this case I guess—numbers of settlers had been on the land for several years and had cleared up five acres or more, but they had never done enough work to get their deeds. When the rural credits scheme came into force some ingenious men saw a chance to make money, and they gave those settlers a hundred dollars or less, and they soon got title to their lands. Then what happened? Why, it was no trouble to go to the board and get anywhere from $500 up to $3,000 and more, with the result that to-day the province has got those farms. There is another phase which I may bring to the attention of the committee. The province was granting land to practically any man that would ask for it provided he complied with the requirements, the most important of which were that he must be a resident of the prov-

ince and be twenty-one years of age. Such a man could get land virtually for nothing. Subsequently he got his title to the land and borrowed money on his holding. The government soon found they had better get out of the business; they did so, but not without a good deal of scandal. To-day the province is out of pocket and somebody else has got the money. That to my mind is just what is going to happen under this bill.

Mr. CAMPBELL: Will my hon. friend tell me what province he refers to—New Brunswick?

Mr. FISH: You did not know I came from there! I would not say anything about the prairie provinces or the Maritime provinces generally, or for that matter the older provinces, Quebec and Ontario, that I am saying about my own province. I do not think Quebec will benefit very much by this measure, for it has already a splendid act of its own. In New Brunswick we hope to get similar legislation at this session of the legislature. The gist of the Quebec act is that when you accept a man's application for a homestead you allow him ten dollars an acre to clear it, and I am sure that is better encouragement than lending him money. If he works and clears his land he gets ten dollars an acre, which helps him to live while he is preparing his farm for cultivation; afterwards he can provide for himself.

Now, with regard to the fifteen mile limit, it would not be of any use in my province, nor for that matter in any of the older provinces, because there is no good land anywhere near the railways but what is owned now. When you talk of having miles to travel in the prairies, I do not think you really know anything about distance. Many of our farmers are fifty miles away from a railway, but they rarely buy automobiles to get backwards and forwards.

Mr. CAMPBELL: How do they bring their wheat to market?

Mr. FISH: They bring their produce to market by water. So I think that so far as my province is concerned this bill will be practically of no use whatever. After all, what is it going to amount to? At one time the amount to be advanced was placed at $5,000,000. Well, if I can judge aright, I do not think that would be too big a sum, for everybody will go after easy money. We will all take a hand in it, we will be there at the beginning while the money is available, not at the end when it is about exhausted. But what then, who is going to take the burden of debt that will be left on our shoulders? I think it would be well to confine the operation of this measure to the two or three provinces that are going to specially benefit by it.

Section 1 agreed to.

On section 2—Definitions.

Mr. STEWART (Edmonton): Mr. Chairman, I have provided an amendment to meet the objection raised by the older provinces. I propose to insert in subsection (c) after the words "Dominion government" the following:

—or any provincial crown lands within reasonable distance of transportation facilities.

Mr. BURY: Who is to settle what is a reasonable distance? That will rest with the minister, I presume?

Mr. STEWART (Edmonton): The board.

Mr. STEVENS: May we have the amendment read, Mr. Chairman?

The CHAIRMAN: Section 2 as amended will read:

In this act, and in any regulation made under the provisions of this act, unless the context otherwise requires,

(a) "Minister" means the Minister of Immigration and Colonization.

(b) "Settlement loan" means a loan made to a settler under the authority of this act.

(c) "Crown lands" means any land suitable and available for settlement lying within fifteen miles of a railway and owned by the Dominion government or any provincial crown lands within a reasonable distance of transportation facilities.

Mr. BURY: Mr. Chairman, with due respect to the minister, I do not think that the mere addition of the words "within a reasonable distance" will put it within the power of the board to settle what a reasonable distance is. I think it will be only in the power of the court to decide.

Mr. STEWART (Edmonton): I had to draft this amendment hurriedly, and I might ask that clause (c) stand until I have had an opportunity of examining it carefully, to see just how it will work out.

Mr. ROGERS: I would like to suggest to the minister that he keep away from the courts as much as he can.

Mr. STEWART (Edmonton): Yes, I intend to.

The CHAIRMAN: Subsection (c) of clause 2 stands.

On section 3—Loans to settlers.

Mr. BURY: Before clause 3 is carried may I say that although I have no confidence in the bill, I suppose it is our duty to do what

we can in order to make the legislation of as little harm as possible. Under the wording of clause 3 it is quite possible that the powers of the board will be exhausted when they have made one loan to one settler. When the resolution was being discussed in committee I understood that it was intended to allow the settlers to get new loans as soon as they had paid off the old ones, or to increase their loans as soon as the improvements had increased in value. The section now reads that the minister may make a loan to any settler, and when he has made one loan his powers in respect of that particular settler, under the bill, will, in my opinion, be exhausted.

Mr. STEWART (Edmonton): I understand what my hon. friend's point is; that is all we intend, that a settler shall receive one loan from the board. What has my hon. friend in mind?

Mr. BURY: When the resolution was being discussed the minister explained that a settler, when he had made say $100 or $200 worth of improvements, might get a loan to the amount of the first improvements. When he had made further improvements, to a total of say $500, he might apply for and receive a loan of $300 in addition; he might secure a series of loans, to a total of $1,000. Under the bill as it is now drafted, the minister can make a loan to any settler, and when he has done that I suggest that it is at least questionable whether his powers in respect of that particular settler will not be exhausted under the act.

Mr. STEWART (Edmonton): This is a rather fine point of law. The bill was drafted by the Department of Immigration and Colonization.

Mr. ARTHURS: That happened under the other act more than once.

Mr. STEWART (Edmonton): I quite admit that. The idea is that loans will be made according to progress.

Mr. BURY: It does not say so here, but of course it is the government's bill and the government's funeral.

Mr. ROGERS: As clause (c) of section 2 is standing, perhaps the minister will allow this clause to stand also, to see whether an amendment can be made.

Mr. McGIBBON: I would like to ask the minister on the basis of what proportion of the value of the work done he proposes to lend money. Is it proposed to lend to the extent of 100 per cent?

Mr. STEWART (Edmonton): Yes, in the initial stages. That is, his first loan would be practically to 100 per cent of the value of the work done, but not the subsequent loans or advances. If his first loan amounted to $200 it would be practically for the amount of his improvements, in order to encourage him to keep on improving. But that would not be so if he borrowed the full amount; the ratio would then be reduced.

Mr. McGIBBON: Just a further question. In subsection 7 of clause 5 the minister is taking authority to state how these loans are going to be expended.

Mr. STEWART (Edmonton): Yes.

Mr. McGIBBON: How does he reconcile these two clauses? If we are going to lend a man money on work already done, it must be for the work he has accomplished.

Mr. STEWART (Edmonton): He will have to make application for his loan. This is very similar to the practice pursued by the insurance companies, and is in fact the practice of the Soldier Settlement Board now. The supervisor will visit a given farm and an agreement is made—

Mr. McGIBBON: I am afraid the minister does not understand my question. You are giving a man a loan on the strength of the work he has done, and you are then reserving the authority to tell him how he is going to expend the money so borrowed.

Mr. STEWART (Edmonton): Does my hon. friend mean that he should be permitted to expend his money as he sees fit? With that I agree very largely, but I want to point out that when the application is made, discussion naturally takes place as to what improvements the settler will make in order to earn, let us say, the first instalment. When that is completed the instalment is advanced to him and undoubtedly, if he is progressive, he will make provision for the next instalment. The money he earns on the first will naturally carry him over the second period.

Mr. McGIBBON: But the minister is reserving the authority to tell this man how he is to expend the money.

Mr. STEWART (Edmonton): Would my hon. friend not agree that you have a certain amount of risk in the moral character of the man? I will admit that it looks somewhat drastic, but I must also admit that the security is meagre, and supervision counts for a very great deal. The Soldier Settlement Board have learned that by rather costly ex-

perience. I know a great deal of criticism was offered to the suggestion that you should interfere with the money a man has earned by his own labour, but at the same time the man is still a risk so far as the government is concerned. I think my hon. friend will agree that some reasonable—I do not say unreasonable—supervision should be exercised.

Mr. McGIBBON: I do not catch the idea of the minister yet. Let us say a man does a certain amount of work and on the strength of that he is loaned a certain sum of money. That money is loaned for the work already done. At the same time you are telling this man how he is to spend that money. Is that not correct?

Mr. STEWART (Edmonton): I did not just catch the last part of my hon. friend's remark.

Mr. McGIBBON: Let us say a man has done a certain amount of work and on the strength of that work already accomplished he is loaned $300 or $400. The minister then steps in and says, "Although you have earned this money by the improvements you have made, I am going to dictate how you are to spend it."

Mr. STEWART (Edmonton): Would it not be fair to say that if, as was suggested by two or three hon. members this afternoon, the soldier settler could pocket the first instalment of the loan, and leave the land? As a reasonable precaution it is surely not unfair to say that the settler should give some undertaking that he means to continue on the land. There should be some reasonable supervision over the expenditure of the money. I do not mean to say that someone is going to sit there and watch the settler spend that money, but after all that is part of the security held by the government for the loan.

Mr. McGIBBON: Suppose a man is hard up and owes a lot of money, after he completes a certain amount of work. Is the minister going to deprive him of the right of taking that money and paying his debts? Is he to be told that he must put that money into further improvements? Are the hands of the settler to be absolutely tied at the will of the minister or some of his agents?

Mr. STEWART (Edmonton): Oh, no; that has not been the case at all. If, as my hon. friend supposes, the settler incurs some liability in earning the first instalment, naturally that would be taken care of. But to make it possible for him to take the whole of the advance, as I pointed out before, and simply walk away with it, is not sensible, and it follows reasonably that there should be some supervision.

Mr. McGIBBON: Would the minister be good enough to read subsection 7 of clause 5, and explain it to me?

Mr. STEWART (Edmonton): I shall be very glad to do so when we come to it.

Mr. McGIBBON: It has a direct bearing on the question now before us.

Mr. STEWART (Edmonton): Subsection 7 provides:

> All settlement loans shall be expended under the direction or control of the minister.

The minister simply means the board, which is making the loan. The whole operation of the act, every particle of it, will be under the control of the board. If my hon. friend will look at section 7, he will see that provision is made there for making various regulations; he will find the same provisions in the Soldier Settlement Act. While nominally the minister is the head of the Soldier Settlement Board, he seldom interferes with its operations; in fact, the only occasion on which I have had to interfere is when a soldier settler has appealed to me direct that he is not receiving decent treatment.

Mr. McGIBBON: The point is this: This takes away from the settler his initiative to do what he thinks is in his own best interest, and hands control over to the board, or to the minister, whichever you call it. The settler is deprived of all initiative to spend that money in the manner which he thinks will best advance his financial welfare, and it is handed over to the board. To be quite frank with the minister—I do not accuse the government, or the minister in particular; that is the last thing I would do—this scheme to my mind might lend itself to becoming one of the greatest political organizations imaginable.

Mr. STEWART (Edmonton): If that is the case, the Soldier Settlement Board could have been used for identically the same purpose. But I hope no one will accuse me of using the board for political purposes, because I have never changed an officer of the board. They were all appointees of the government that preceded this, and the same is true of every supervisor, so far as I know. I am proposing that the Soldier Settlement Board shall operate under this act because that board operates all over Canada. Its officers have

received training at the expense of the government and have now considerable experience in settlement work. So far as a political organization is concerned, I want to assure my hon. friend that is the last thing I have in my mind.

Mr. McGIBBON: I do not want the minister to misunderstand me; that is the last thing I would suggest, because, as I said this afternoon, he is one of the charming personalities of this House. But we must judge this legislation on its merits, and it does deprive the settler of his initiative to plan his own future welfare in the manner he thinks best. That is all turned over to the board, which is going to dictate to him how he shall pursue his business. It is an impossible situation.

Mr. STEWART (Edmonton): That might be all right if the government was taking no risk, but I think my hon. friend will agree with me that the government is taking a very substantial risk. I admit that at once myself; I do not for one moment intend to argue otherwise. If I did not believe that this legislation would facilitate settlement of these particular lands, I would not be in favour of this bill, but I believe it will. I am not going to suggest that there may not be some losses, but I do think, inasmuch as we have the Soldier Settlement Board, with its five or six years' experience in settlement work and the loaning of money—it has been costly to the government of this country, and is going to be more so—surely we can use the board in settling these lands. I have been bombarded by boards of trade and public bodies claiming to be interested in immigration from one end of Canada to the other, saying that this government has never provided any facilities to get men on the land, and it was in response to that universal request that I had this bill drafted. I thought I was providing only proper safeguards in the bill, which was brought in to meet what in my opinion was a universal request.

As to the objection that if we make an advance to a settler we are precluded from advancing him any more money, my hon. friend is a lawyer, and it was a lawyer who drafted this bill, and if he made that mistake it is the mistake of the legal draftsman.

Mr. McQUARRIE: He is a doctor. You should not be so complimentary.

Mr. STEWART (Edmonton): I was speaking at the moment of the hon. member for East Edmonton. Any body, public or private, which is lending money, looks to two things, and I think the greatest stress is placed on the moral character of the individual who is receiving the loan. My hon. friend will agree that the moral character must be satisfactory before the applicant can get a loan.

Mr. BURY: Not in Alberta, after you took away the personal covenant.

Mr. STEWART (Edmonton): Do not let us get drawn away to side issues. I am sure my hon. friend will agree that the moral standing of the individual is perhaps the best security on which a loan can be made, and secondly comes the material security. In this case, we shall have to depend very greatly on the moral security, because there is no asset other than what the crown own themselves. The crown already own the land, and surely it is only reasonable to go one step further and exercise some degree of control over the expenditure of the money until the maximum amount is loaned to the individual, because that is all the security you have for repayment of the loan.

Mr. ARTHURS: Then the minister admits that these loans are solely upon lands owned by the government themselves?

Mr. STEWART (Edmonton): Absolutely, owned by the Dominion or provincial governments.

Mr. CLARK: Then why does not the minister substitute the words "moral security" for the words "security of improvements"?

Mr. STEWART (Edmonton): The improvements have to be placed on the land; there is no question about that. Otherwise there would be no loan.

Mr. CLARK: What security can possibly be offered by the improvements?

Mr. STEWART ,(Edmonton): My hon. friend will agree that as soon as a piece of property is improved it becomes of greater value.

Mr. CLARK: But the land belongs to the government anyway, and however much you improve it, no matter what you put on it, it still belongs to the government. It does not form any security for the government, so the words are meaningless.

Mr. BOYS: I rise to supplement what has been said by my hon. friend from East Edmonton (Mr. Bury). The minister although not a lawyer, will only have to read clause 3 himself with care and he will see at once, I think, that if it is the purpose to make a series of loans, not exceeding in all

$1,000 in the one case and $500 in the other, the language of the section must be changed. It provides, it seems to me, quite clearly for one loan. As I understand it, the purpose is, as the improvements are made, to issue—I think the minister himself used the word—a sort of "progress certificate," so to speak, whereby the settler might get $100, then another $100 after that, and so on. This provides for one loan, that loan is in the one case to be as high as $1,000, and in the other case to be as high as $500. It seems to me if that is the intention of the bill the minister should change the second line by striking out "a" and making the word "loan" read "loans."

An hon. MEMBER: "A loan or loans."

Mr. BOYS: That perhaps is a good suggestion to make, "a loan or loans." Then, when you come to subsection (a), "an amount not exceeding $1,000" and in subsection (b), "an amount not exceeding $500." A building is not a separate thing from the land. As soon as a building is placed upon land it becomes land, and the title to the land being in the department it remains in the department. The settler has nothing whatever to give security upon. If he had the title when he made his own improvements on the land he might give a mortgage upon that and secure the department. But the land belongs to the department, and when he puts a building upon it the building is part of the land and he cannot give any security thereon. I suppose you could specify that in addition to the duties and obligations which belong to him, the settler shall, before receiving a patent, pay off any indebtedness that he may owe to the department in connection with any advances that might be made to him.

Mr. STEWART (Edmonton): He cannot get his advances.

Mr. BOYS: An hon. member suggests that that is in the act regarding provincial lands. But in the case of the province, as I understand it, the department—

Mr. STEWART (Edmonton): They cannot get a patent.

Mr. BOYS: No, the province has to get a patent and when it does the loan is then made by the department on the security of the land for which there is a title. But I am not for the moment directing myself at all to lands on which loans are made to the province. I am dealing with this other question.

Mr. DUNNING: Take subsection 6 of section 5.

[Mr. Boys.]

Mr. BOYS: I do not think that helps us in the slightest degree. Subsection 6 of section 5 reads as follows:

> When a settlement loan has been made upon improvements on Dominion crown land, the patent shall not issue until the loan and all interest charges thereon have been paid in full.

I am quite aware of that provision, but I am not dealing with that. I am dealing with section 3, which reads:

> For purposes connected with settlement, the minister may make a loan to any settler on the security of improvements made by such settler—

And so on. I am asking the minister how he is going to take security in the form in which it has to be given. It cannot be a chattel mortgage, because the building is not a chattel. It cannot be a land mortgage because the settler does not own the land and there is no question that the building forms part of the land. It seems to me that the method which the draftsman had in mind of providing the security is all wrong. However, I will go this far and say that, with some changes, the idea that was in the draftsman's mind when he drafted subsection 6 of section 5 might be worked out. I do not see how you are going to take security under subsection 3. However, I think the other feature is more important. I do not think you can take security, yet I realize you have a certain protection because you do not give the settler his patent as long as there is anything against the land, and you have your protection there. It seems to me that if you want to make a series of loans you must change the wording of subsection 3.

Mr. STEWART (Edmonton): Then I understand my hon. friend to say that by striking out "a" and making the wording read "loans," the objection will be met.

Mr. BOYS: The minister will appreciate that naturally I just glanced at the bill while sitting here. At the moment it would appear to me that those changes would meet the intention of the minister. Anyone who has been devoting his attention to this bill and is quite familiar with the subject could make the bill a great deal better than it is, so long as he has caught the idea. But at the moment, in the absence of anything better, I think the suggestions advanced might meet the case

Mr. STEWART (Edmonton): I think it is well understood that the security is in the ownership of the crown, but the underlying principle is that the advances shall be made on improvements to the crown property. The settler would have no security to offer, be-

cause every improvement he puts upon the land—and there I agree with my hon. friend —the erection of buildings, the construction of fences, or the clearing of the land, would be the property of the crown. The advances, therefore, could only be made on the improvements made by the settler to the property of the crown.

Mr. BOYS: How are you going to take security? When you take security you take it by virtue of some document; it may be a mortgage, it may be a chattel mortgage, or something of that kind. That is the ordinary meaning of the word. If that is not the intention, why put it in? If the intention is merely to provide that these advances may be made but that the patent shall not issue until these advances with interest are repaid, there is no question of security about it. He does not give security in that case. He has nothing to give security upon.

Mr. CLARK: If it is true that these improvements form no security, then the whole wording of the section is misleading. It does not mean anything, and the word "security" should not be in the section at all. The section should read "for purposes connected with settlement the minister may make loans to any settler without security", or "may make loans to any settler on the moral security"—because there is no security whatever, on the minister's own admission.

Mr. STEWART (Edmonton): No, I think my hon. friend is slightly misconstruing the section. The settler is the individual who enhances the value of the crown's property. I quite admit that the settler could have no claim on the crown property upon which he could give security.

Mr. CLARK: That is all very clear; we agree there.

Mr. STEWART (Edmonton): Now, from the simple fact that he is the entrant he has at least this security, if it can be called such: he has a prior claim on that land, provided he carries out his agreement to settle on it and earn the patent. That is all the security he would have. However, I am not going to enter into any legal argument with my hon. friends. Perhaps the draftsman has made a mistake in inserting the word "security". But what we have very clearly in mind is that if the settler improves the land, if he goes on and carries out his agreement with the crown, he will earn the patent and own that land, which will be subject, of course, to the claim of the crown for loans made to him. That would be the interest he would have. The advances are not altogether on security, but rather on the improvements he makes to the property. I do not think we would be improving the matter by suggesting that he give his moral security.

Mr. CLARK: I think the whole thing is ridiculous.

Mr. BURY: I agree with the minister that the man has an interest in the land. It is a kind of inchoate interest, an equity to become possessed of the land under the Dominion statute when he has fulfilled certain conditions. It is contingent. Still, he does possess an interest in the land the moment he becomes an entrant. It is a defeasible interest which may be ended by his neglect to perform the conditions of homesteading, but if he does not neglect, if he fulfils the conditions of homesteading, that defeasible interest becomes an indefeasible interest and he gets a patent. The minister would get out of the difficulty if he would say "on the security of his interest in the land," whatever that is, instead of "on the security of improvements", for the reason that you cannot distinguish and separate the improvements from the land. We recognize that. What you want to put the loan on is all the interest the man has in the land, whether in the soil or in the improvements, and if the minister will change the wording of his bill to make the security the interest the man has in the land, I think he will cover the whole point.

Mr. HANNESSON: Referring to the same clause, the minister will remember I asked him to-day whether those who were now on unpatented lands could take advantage of this legislation. The first words in the clause, "for purposes connected with settlement," seem to presuppose that the entrant is a new one. That ought to be made clear by defining the word "settler" in clause 2 when it is redrafted, so as to make sure that the term "settler" would include the man who is now on unpatented land and who had not fulfilled his duties; because to enable him to effect his improvements would be of great value and I understood from the minister that he was to be included. I also suggest that the term "crown land" in that paragraph is improper, because under clause 6 the minister provides for the purchase of lands that are not crown lands.

Mr. STEWART (Edmonton): That is a separate clause altogether.

Mr. HANNESSON: But clause 3 is the only lending clause in the bill and when the minister provides that loans can be made only on crown land, he is defeating the purpose of clause 6.

Mr. CANTLEY: As regards the second line of clause 3 I understand the minister has in contemplation a loan or loans. If he deletes the five words "a loan to any settler" and replaces them by the three words "loans to settlers", will that not simplify the matter and better enable the minister to carry out his intention? With regard to the security referred to, would the case not be met by deleting the words on the security of improvements" and substituting therefor the words "not exceeding the value of the improvements"?

Mr. STEWART (Edmonton): While suggestions are important and very useful, my experience is that it is never safe to trust to suggestions for amendments to a bill without carefully considering them. Now that we have had a pretty full discussion of clause 3, I would ask that the clause stand, and I will have it redrafted in accordance with the objections raised.

Mr. BURY: Will the minister keep in mind the suggestion I made about the wording of that part of the section which deals with the security?

Mr STEWART (Edmonton): Yes, I have that in mind.

Mr. NICHOLSON: If I have been able to catch the minister's intention it is that loans will be made after the improvements have been carried out. The minister assents to that. That brings back the question raised by the hon. member for Muskoka-Ontario (Mr. McGibbon) with relation to the provision of subclause 7 of clause 5. If a man goes on the land, spends his own time and money making certain improvements, and increases the value of the crown domain to a point that justifies the minister in advancing a loan to him, is the minister going to send somebody to say to that man: You can do just this and that with the money we are giving you now for the work you have already performed? The hon. member for Muskoka-Ontario raised the question and it bears out what was said by the hon. member for Dauphin (Mr. Ward) this afternoon, namely, that you could not get men to go on some of those lands unless you gave them some inducement. If the prospect of this loan is an inducement, the probabilities are that the man who goes on the land will incur liabilities to someone else. He will effect loans; he will secure supplies from merchants to enable him to carry on until he makes those improvements. After the improvements are made the minister comes along under another provision in the bill and says to the man: We are going to direct you as to just how you are to spend the money; you may pay this indebtedness and leave the other one unpaid, and so on; or you may not pay any of them but you must go on and make some more improvements. There is the confusion in connection with this matter. The difference between this legislation and the plan under which the soldier land settlement was carried out is that under the latter the money was advanced for the purpose of making improvements, to buy stock and so on. In this case the man goes on the land the crown assigns to him, spends his time and money and improves it up to a certain point that causes the board or the minister to feel safe in making him a loan on the strength of the improvements already made. Surely if he was capable in the first instance of directing his own affairs and making improvements to the point where he could secure a loan, he should be given a free hand to go ahead and spend the money advanced. If he runs away with the money, the government have already the improvements on the land. I can readily understand the minister does not expect anything of that sort; nevertheless he is imposing that unfair hardship on a free man, and so long as you undertake to keep these men in a state of vassalage—that is exactly what their position will be—they are not going to be free men. If you find the man who is a sufficiently good moral risk to justify a loan, surely you have the Canadian citizen whom you can trust to spend the money you lend to him in the same way that he has spent his own money in making such improvements as justified the making of the loan in the first instance.

Mr. GARLAND (Bow River): While the minister is taking that into consideration, he might also consider the case of a man who was in the habit of playing poker and had incurred debts of honour in that regard.

Mr. BOURASSA: Would the minister consider the clearing of bush land, say in Quebec —work which is of course of a valuable character—as an improvement coming under the provisions of this bill?

Mr. STEWART (Edmonton): Yes. I thought I made the position fairly clear before to the hon. member for Muskoka-Ontario. I know there is considerable aversion to supervision of the activities of any man. Most of

us like to be free agents to do what we please, but I have yet to know any man who borrowed money—I do not care how he borrowed it—who was a free agent. I think any hon. member will agree with that. My hon. friend may be able to go into a bank and obtain a loan without difficulty; probably he is endowed with sufficient of the world's goods to persuade the banker to let him have it. But I can tell him that in my own case I had to submit to a good deal of cross-questioning before I could get a loan, and the bank had to be assured that it could repose confidence in me. It wanted to know that I was going to spend the money in the way I proposed; otherwise I could not get the help I required. I am prepared to admit that governments and government officials can be autocratic and unreasonable, and while I have had reports of such action on the part of field supervisors in the administration of the Soldier Settlement Act I would remind hon. members that, if it were not for a firm stand in our dealings with the settlers, the losses of the government would be much heavier.

I have tried to make it clear that while there should be no unreasonable interference, at the same time it is impossible to eliminate the element of supervision from the provisions of the act. We might simply say to the man, "You have earned $200 and we will therefore advance you a like sum". If the individual had incurred debts in the earning of that $200 there would, of course, be no question in the world about his being authorized at once to pay those debts with the proceeds of the loan. But let us suppose, as has been suggested, that he has incurred some other debts of a questionable character: would my hon. friend question the right of the government in that case to see that its interest was protected? We must remember that the government has a very vital interest in the man. I do not argue that the supervision should be carried to any undue extent, but I do urge that we should have some rights in that direction.

Mr. McGIBBON: Would it not be better to have some equity reserved in the land? The minister is paying the man practically 100 per cent of the value of his improvements, and I suggest that both the government and the country would be safeguarded if the act reserved some equity in the land. So long as you pay the man 100 per cent of the value of the land, it does not matter—

Mr. STEWART (Edmonton): I suggested that only as the initial payment.

Mr. McGIBBON: Well, suppose we do consider it an initial payment: what will keep that man on the land if he chooses to walk off? I repeat, it would be far better to reverse the procedure and pay him probably two-thirds or three-quarters of the value of the improvements as a start, increasing it as time went on. The settler then would have an increasing equity in the land and a greater desire to remain on it. If, on the other hand, you pay him 100 per cent on his improvements, he may pocket the money and walk off.

Mr. NICHOLSON: The minister has said that one of the grounds upon which the loan will be made is the moral character of the settler. Possibly the characteristics indicated by the hon. member for Bow River (Mr. Garland) would suggest pretty clearly the moral fibre of the man upon which one might base one's justification for making the loan; but I do not believe the minister takes that view. If I have been able to interpret what he has said, he intends to make these loans on the strength of the improvements that have been made. Judging from the experience which he says he has had with banks, perhaps the minister has noticed just what I myself have observed. At any rate, I know what the bank requires. If you have created a certain amount of wealth as a result of clearing land and carrying out other improvements you may obtain a loan from the bank on the strength of that security that then exists, and they do not ask you any further questions. But when you are applying for a loan from a bank for the purpose of carrying on some business in order to create new wealth, they naturally want to know what you intend to do with the money. Now, if the minister says that these loans are to enable the man to clear his land and make improvements, well and good. In that case I should say that supervision was justified. But if the loan is being made on the basis of something which the man has already done, the situation is different. The man, I take it, must originally have had some money or he could not undertake to cultivate the farm. If therefore he has spent his time and money in effecting improvements upon the government's property, surely he can be trusted to go ahead and use the loan for the purposes he has in view. If that is the type of man the minister has in mind, he would have something to go upon and something by means of which to apply his initiative if he were given $1,000 in a lump sum and allowed

to go ahead. Obviously you cannot have a pauper and a virile Canadian walking around in the same suit of clothes. And the way to make virile Canadian citizens is to show them that you have confidence in them.

Mr. STEWART (Edmonton): What my hon. friend says has been amply borne out in the experience with soldier settlers. Perhaps it would help the discussion if we followed through from start to finish the process of securing the loan. The settler first of all enters upon the land and after clearing it makes application for a loan, having the property investigated by a representative of the Soldier Settlement Board who passes both upon the character of the applicant and upon the nature of the land itself. It follows as a natural consequence—

Mr. NICHOLSON: Is that the plan proposed in this bill?

Mr. STEWART (Edmonton): Yes; I am trying to describe the process in detail.

Mr. NICHOLSON: Then I suggest that the wording should be amended, because that is not what the bill says.

Mr. STEWART (Edmonton): The regulations will of course make the necessary provisions. Naturally the applicant gives some indication of what he intends to do. He may build a house or erect a stable or put up a fence upon the land; or he may decide to improve five or six acres. When the work is done he asks for an inspection and he is visited by the soldier supervisor, who passes upon what has been done and recommends to the board the advance to be made. Of course, he is going to earn more money; he is not going to stop with the first hundred or two. The supervision is nothing more or less than an agreement between the two as to what the nature of the improvements shall be, and the seeing that those improvements are carried out; the money being advanced from time to time. I can conceive that the settler will incur certain debts and responsibilities while he is doing this work. These will have to be paid, but the supervision is to ensure as far as possible repayment of the money.

Mr. NICHOLSON: If that is the case I have nothing further to say. But that is not the position the minister has taken throughout the discussion of this clause. If where a man makes application for a loan, the supervisors say to him, "When you do thus and so we will give you a loan," that is a different case altogether. If that is the method, then I say this clause certainly requires to be redrafted, because it provides that the loan is to be made on the strength of work already done.

Mr. STEWART (Edmonton): I do not think the section needs redrafting. I simply described in a concrete way how it works out. No money could be paid over until completion of the improvement, whatever it was.

Mr. McGIBBON: Surely, Mr. Chairman, the minister does not say that every man who applies with the intention of settling on land has first to get the board to inspect his land, lay out the prospective improvements, and tell him just what has to be done before he can expect a loan?

Mr. STEWART (Edmonton): Not necessarily. He may make all the suggestions himself. All he does is make application, when he will be visited on his land by a representative of the board.

Mr. McGIBBON: After the improvements may have been done?

Mr. STEWART (Edmonton): Yes. In that case the board's representative would pass upon them. I do not want my hon. friends to get it into their minds that this is any autocratic or Mussolini method of doing business. Please bear in mind that the other party to the agreement and the most important party, is the government. Some precaution must be taken to protect the government's loan.

Mr. BURY: I understand from the minister that there are to be a number of regulations, which are referred to later on in the bill—that the idea is that the full value of the improvements will be advanced on the first loan?

Mr. STEWART (Edmonton): I merely say that to help the settler over the rough spots when he is starting—

Mr. BURY: I am not concerned with the reasons in the minister's mind; I merely want to get the facts. I understand the intention of the bill is that the applicant shall at the outset get one hundred per cent of the value of his first improvements.

Mr. STEWART (Edmonton): No; he may get it. I would not want my hon. friend to say that the government were under compulsion to lend one hundred per cent of the value.

Mr. BURY: What I am getting at is this. Apparently there are a number of regulations in which are to be embodied the really important parts of the bill. For instance, what a settler will get on the first improvements on his first application, and the suggestion of the minister that on the second application on later improvements he will not get as much. Then other matters have been referred to as being embodied in the regulations. It seems to me that we ought to know what the regulations are. From what I can gather from the minister the regulations are the chief part of the bill.

Mr. FORKE: Mr. Chairman, I believe the minister knows that any settler coming under this act will have to earn a good deal more money than the $1,000 that he is to get by way of loan. That sum is never going to carry him through until he obtains his patent; and the government will get a great deal more security than the amount of the loan if he ever does get his patent.

Mr. McGIBBON: Suppose he never gets it?

Mr. FORKE: I do not think there is very much difference of opinion as to the wording of the act. Anyone could have sat down and said just what is intended by the bill, but I really do not know what is the exact meaning of its wording after all this discussion has taken place. I think the intention of the minister is very much along the lines of the amendment offered by the opposition. But I repeat, any settler who takes advantage of this legislation will have to find some other way of earning money in addition to his loan before he obtains his patent. He will have to go out and work. Any farmer who knows anything about spending money knows exactly what $200 will do towards equipping a farm. It is a mere fleabite in comparison with what he has to spend before he gets his farm in such a condition that he can make a living on it.

Mr. McQUARRIE: Mr. Chairman, I take it the minister only intends to lend money where the department is satisfied that the loans are going to be repaid. Of course, it is impossible to be absolutely sure you will get repayment of any loan, but I assume the minister does not intend to make a present of the loan to the person who takes up land, but that it is a business proposition and that the government are going to have what they consider to be security for the amount advanced. I take it that two elements will have to be taken into consideration; one, as to the man's standing in the community and his suitability for this kind of work. That is really not a security at all, for the man may die the day after he borrows the money. The other element is as to the suitability of the land itself. Well, I take it that most of these loans will be made on lands which would not otherwise be considered good security. Consequently it comes down pretty much as stated in the bill, the making of loans on the security of the improvements.

Something has been said about the views of lawyers in the House. I wonder if the minister knows that our big loan companies at the present time are absolutely refusing to make loans on farm properties. I know that is the case out in British Columbia; they will lend on city property, but not on farms. The reason, I presume, is that farming, unfortunately, owing to the policies of this government to a large extent, I think, has reached such a condition that farm property is an unsafe security. Now, if the government really wish to help men to get on the land, I suggest that they should go at it in a different way altogether, that they should do something to help the man who is on the land now. Let them help our farmers out in British Columbia so that they will be able to make a decent living for themselves, and their farms will be considered good securities for loans.

Mr. CAMPBELL: Mr. Chairman, I appreciate the difficulties of the Minister in trying to satisfy the committee in framing this bill. On the one hand fear is expressed that the security will not be sufficient and that the government will lose a lot of money; on the other hand, the minister is exhorted to use all means to enable settlers to secure money with the greatest facility. If the minister tries to harmonize these two views I do not know where he is going to end. I am in favour of the principle of this bill, but I am distinctly opposed to the policy of its application. I expressed that view on a previous occasion, and the minister will pardon me if I express it again. At the outset, however, I may congratulate the minister on the fact that this is the first attempt ever made in this House, it appears to me, to bring forward any policy to assist settlers in getting on the land. I can at least congratulate the minister on that, and for the very reason that I sympathize with the proposal, I am most anxious to see it on a sounder basis than it is at present.

I agree with a good many of the criticisms that land which is not suitable for cultivation, land not suitable to be taken up at all, is the kind of land that will be homesteaded under this scheme. A settler who will not take up homestead land at present, looking on this

loan as a bonus, will take up some of this land and endeavour to make some improvements on it, and it appears to me that the homestead land available for settlement in western Canada to-day is not of a very good quality. There is very little of it except in some districts that have recently been opened up by branch lines, in which cases I believe there is some good land. I believe I can speak with some authority on this question, because a large part of my constituency borders on the bush land, and I know something about the settlement in those districts. There is no doubt that a great many men under the stimulus of these loans will take up some of this homestead land but I venture to predict now that within five years at least 50 per cent of those men will have abandoned the land. I think there is no question about that. If the minister occupies his present position five years from now, I feel perfectly safe in predicting that he will come back to this House and admit that this scheme is a failure, from two standpoints. It will be a failure from the standpoint of assisting settlers, and from the financial point of view as well. But because I am anxious to see something done to assist settlers I would plead with the minister as I pleaded with him on a previous occasion, to make this act apply to purchased land, where facilities are already provided; land close to the railways, where we have schools, roads, elevators, stores and everything already there. We have millions of acres of that kind of land in western Canada, where everything is already provided.

The minister stated in introducing this resolution that the main object was to thicken up the settlements. That is the very thing this bill is not going to do; it will spread the settlements out into the hinterland a little further than they are to-day. I believe if this were made to apply to purchased land, and if assistance were given settlers in buying land, not only would ample security be provided, but something would be done in a substantial way to assist settlement.

I know the question will be asked as to how we can make a loan on land purchased with very little, and in some cases perhaps nothing, paid on it. Land can be secured in western Canada to-day by very small cash payments, and if those selling the land are prepared to assist in the operation of this plan, they will be prepared to permit the government to take a first mortgage on the land for $1,000 or whatever amount is advanced, and take security themselves by a second mortgage. In every case of that kind the land will be worth a great deal more than the money advanced by the government, and the security will be better than the security at present held by most of the loan companies.

Mr. YOUNG (Weyburn): Would the hon. gentleman be willing to do that himself if he were selling land?

Mr. CAMPBELL: Yes, I would. I may tell my hon. friend that a great deal of land is being sold in my district to-day without the payment of a dollar in cash; the vendor has confidence in the ability of the purchaser to pay for the land on a crop basis. But if the government offered to advance $1,000 on a first mortgage it would be of great assistance to the settler. The loan would be spread over a long period of years at a low rate of interest, which would assist the settler in a very material way. In thousands of these cases the vendor would be prefectly willing to follow that course.

Mr. YOUNG (Weyburn): Would it assist the vendor?

Mr. CAMPBELL: I believe it would. In this case the government would have the first mortgage and the vendor the second mortgage. The government would be perfectly safe.

An hon. MEMBER: And the vendor would get the money.

Mr. CAMPBELL: The vendor would get the money, but the government would have a first mortgage and you would thicken up the settlement in the districts where settlements have already been started.

Mr. STEWART (Edmonton): May I interrupt to ask a question?

Mr. CAMPBELL: Certainly.

Mr. STEWART (Edmonton): If the vendor got the money, what would the settler get?

Mr. CAMPBELL: The settler would be in a better position than he is in to-day. I assume, of course, that the settler would pay a small amount, also.

Mr. STEWART (Edmonton): My hon. friend forgets that these settlers have no money. Furthermore, may I just ask another question? I know my hon. friend is a practical farmer, but I think I am safe in saying that no man will buy property on a crop basis without having a fairly substantial amount invested in equipment and stock,

which is a very important factor before he can farm at all. We have that problem on our hands to-day, and are trying to meet it by bringing into Canada from the Old Land 3,000 families, to whom the British government give $1,500 in order to start them on these farms. The plan of my hon. friend would soon run into a very large amount of money, if it was undertaken.

Mr. CAMPBELL: It would be very much better to have a small scheme worked out in that way successfully than to have a large scheme like this result in utter failure.

Mr. STEWART (Edmonton): My hon. friend forgets one thing. He says there is practically no good land to be settled. That may be true in his own locality; it may be true in the province of Manitoba, but my information—and it is from the Soldier Settlement Board—is that there is a very large area of land within fifteen miles of the railways. It is good land, brushy perhaps, but really first class agricultural land when it is cleared. It is upon that class of security and that class of land that the loans will be made, not upon these third or fourth rate agricultural lands that are sandy in character when cleared. If these precautions were not taken I may tell the committee that I would not be sponsoring this bill.

Mr. CAMPBELL: The land in my constituency to which I referred is as good a class of homestead land as is available in any part of Canada. The proof of that statement is in the fact that men who have travelled all over western Canada looking for homesteads have settled and are now settling in my constituency. The statement of the minister in regard to the necessity of having a certain amount of money before settling on land of the character I referred to is perfectly true, but it is just as true of the homestead. If you expect a man to go into the wilderness fifteen miles from town, on a brush homestead, without a dollar in the world, it is only another evidence that this scheme is doomed to failure. I quite agree that no man can go on a homestead without a small equipment of farm machinery, horses and so on; he must be able to provide food for himself for a certain length of time; he must be able to put up buildings; he must be able to go to the necessary expense of breaking some land, buying cattle and fencing his land. He must have a little money, and unless he has some money there is no use sending him out on a homestead.

Mr. STEWART (Edmonton): Will my hon. friend admit, then, that seventy-five per cent of the homesteaders in western Canada had little or no money when they commenced operations? That was my experience, and I think I am settled in a locality equal to any in Alberta. Those settlers made good, but the first thing they did after securing their patent was to borrow money on it. Why? Because they had incurred liabilities during the three year period when they were earning their patents, and it was to pay off the liabilities incurred by the purchase of the odd cow, the horses and the machinery that they had accumulated in that time that they required the loan. All I have in mind here is to avoid the necessity of doing that. The man will be starting on land where he does not require a large number of horses or a large outfit of machinery, but can start in a very moderate way. That is all I had in mind, but please remember that it is not contemplated to lend money on poor land.

Mr. McQUARRIE: Why should the government lend $1,000 to a Canadian citizen and only $500 to a man who is not a Canadian citizen? How does the difference affect the security?

Mr. CAMPBELL: What the minister says is perfectly correct, that the bulk of the homestead land in western Canada was taken up by people who had very little money. But I want to point out this, that this homesteading was done at a period when we were building thousands of miles of railway in western Canada, and a great majority of these homesteaders simply filed on their land and then went out and worked on the railway or with a building gang, building elevators or stores in the little towns that were growing up all over the prairie. In that way they were able to earn enough money to give them a start on their homestead. There are very few men who have made a success in western Canada who ever went on their homestead without any money to start with, unless they were able to stay with it by going out in the summer time and working elsewhere. I have been twenty years in western Canada, and I have pioneered in many new districts, and I know very few men to-day who when they first came in and homesteaded were able to establish themselves on the land without going out and earning money in the summer time. But those conditions do not obtain in western Canada to-day. We are not building any more railways now, and instead of there being a shortage of labour, there is a surplus. Very

little new building is being done in the towns, and there are very few opportunities for a man to get work of that nature; so different conditions altogether obtain. If a man has a little money and is located on land within a reasonable distance from town he can get land that is partly broken up and have a crop the first year, and get something to go along with, but if he takes up land ten or fifteen miles away from a railway, it will be years before he can make that farm pay at all.

Mr. BOURASSA: Before the minister redrafts the clause, may I ask him with regard to provincial crown lands for which temporary titles are given by the government which do not carry the full ownership which letters patent do. Then if the settler does not comply with the requirements of the departmennt, his title is forfeited. He may have made some improvements on the land, but all that is lost to him. Now suppose a new settler comes in and is prepared to take up that land; would he be entitled under this law to a loan on the improvements made by his predecessor which have advanced the value of the property, but which of course were not made by the present settler on the land when occupied by him? I think the present wording of the clause would prevent the loaning of money to any new settler who would take over a partly improved crown land farm that had been abandoned, because the improvements would not have been made by him when occupying the land. If he received the encouragement of a loan he might go on with the improvements and finally make of this land a real homestead; in fact, we have many homesteads in the province of Quebec of that nature. It is said, in fact, in many regions that the first settler is never the permanent occupant of the land. Very often the letters patent are taken out by the new settler who comes in and inherits the improvements made by his predecessor, but, after all, he continues to improve the land, and implants there a family, and finally the whole community benefits by it. I know of many lands in my own constituency, as well as in other parts, that are presently crown lands because the letters patent have never been issued; the lands were taken up by settlers some years ago, and abandoned. Those lands could be reoccupied and a loan made, but not if the wording of the clause remains exactly as it is now.

Mr. STEWART (Edmonton): My hon. friend has raised the same point as was raised by the hon. member for Selkirk. Under the provisions of the Dominion Crown Lands Act, where a settler makes improvements to a homestead or crown land while he is in occupancy, these improvements are always valued if he surrenders the homestead or abandons the land, and the next settler is charged for the improvements. The provincial crown lands would be in the same position where the settler had received a loan and had abandoned the land. That is why we say we are making advances on the improvements. If the provincial government were prepared to give the federal government first claim upon the property, as they would have to do under the provisions of the bill, an advance could be made to that settler upon provincial crown lands.

Mr. BOURASSA: I think the words "by such settler" should be dropped, so that the benefits of this legislation would be applicable to the present settler.

Mr. STEWART (Edmonton): I am going to satisfy myself on that point, in view of the contention raised by my hon. friend from Labelle and by my hon. friend from Selkirk.

Mr. CANTLEY: May I draw attention to the two classes of loans contemplated under this legislation? One is for an amount not exceeding $1,000 to a man who is a Canadian citizen, and secondly, an amount not exceeding $500 to a settler other than a Canadian citizen. Surely we have gone far enough when we have made loans to men who are Canadian citizens. If settlers on land are not willing to incur the obligations of citizenship I do not think we should advance them any money.

Mr. STEWART (Edmonton): True, it applies to the foreigner, but what we have chiefly in mind here is that we shall be able to make arrangements with the Overseas Settlement Board for an additional $500 for the British settler. I do not think British settlers will take advantage of this legislation to any considerable degree until we have completed the three thousand family scheme. We expect this year to settle with British settlers twelve hundred soldier settlement farms, under the three thousand family scheme; last year we settled five hundred. My hon. friend knows that under this three thousand family scheme the government of Canada provides the land and the British government lends the settler $1,500 to establish him on the land, and that money is expended under the supervision of the Soldier Settlement Board. If this scheme proves a success, and British settlers take advantage of it, we hope to get an additional $500 for

the British settler by arrangement with the Overseas Settlement Board. My hon. friend's contention is that we should not lend money to anybody but a Canadian citizen. Is that his idea?

Mr. CANTLEY: I thank the minister for the explanation. No. That is not exactly my point. What I thought was contemplated was that loans up to $500 could be made to settlers who were neither Canadian nor British. I have no objection at all to extending the full amount to settlers of British nationality, but I am opposed to making loans to settlers who are neither Canadian nor British. That is my point.

Mr. STEWART (Edmonton): Of course the settler cannot get a patent unless he is a Canadian citizen. My hon. friend will realize that he could not come into full possession of the land unless he is a Canadian citizen and naturalized.

Mr. McQUARRIE: The minister referred to the British settler as a "foreigner."

Mr. STEWART (Edmonton): I never did. I hope my hon. friend is not trying to leave an inference that I did not intend to convey in the slightest.

Mr. McQUARRIE: I asked the minister a question a little while ago and he did not answer. I thought perhaps he would answer this one. I understood him to say something a few moments ago about "a foreigner" and "loans to foreigners." Do I understand now that loans will not be made to foreigners at all?

Mr. STEWART (Edmonton): Yes, loans will be made up to $500, but I was pointing out that the man could not earn the patent and come into title until he became a Canadian citizen.

Mr. McQUARRIE: Does the minister not think this is discrimination against the British subjects whom we are trying to get into this country?

Mr. STEWART (Edmonton): How does my hon. friend get that notion?

Mr. McQUARRIE: When you lend $1,000 to a Canadian citizen and only $500 to a British subject who is not a Canadian citizen. Is that not discrimination?

Mr. STEWART (Edmonton): No.

Mr. McQUARRIE: Why is it not?

Mr. STEWART (Edmonton): For the simple reason that we hope to be able to make an arrangement with the Overseas Settlement Board for three thousand settlers, and they will participate in this scheme as settlers coming from the British Isles.

Mr. McQUARRIE: There may be a man, a British subject, who does not come under this scheme at all, yet he may be a most desirable person to have in Canada because of his qualifications.

Mr. STEWART (Edmonton): It is not likely that many such cases would occur.

Mr. McQUARRIE: Such a man has come over without any assistance at all. Surely he would be a more desirable man to have in this country than somebody who has been assisted by the British government to leave Great Britain?

Mr. STEWART (Edmonton): If he happens to become a Canadian citizen within five years he comes within the provisions of the bill.

Mr. McQUARRIE: If he chooses to wait twelve months. He will have to wait twelve months before he can take up land anyway.

Mr. STEWART (Edmonton): My hon. friend thought he had discovered a mare's nest, did he not? The man would have to go through the process of taking up a homestead and making improvements upon it, and if during that period he became a British subject he would be eligible for the loan.

Mr. McQUARRIE: I have no doubt there will be mares' nests in this matter before we get through with it.

Mr. BURY: May I ask the minister whether I understand him correctly that the intention of the government is to change the bill so as to enable a settler to get a loan on a preceding settler's improvements?

Mr. STEWART (Edmonton): They would not be the improvements of the preceding settler.

Mr. BURY: If they be purchased.

Mr. STEWART (Edmonton): There is no purchase. I think my hon. friend must have misunderstood me. The question asked by the hon. member for Selkirk (Mr. Hannesson) and the hon. member for Labelle (Mr. Bourassa) had reference to abandonment of the property and its reversion to the crown, the subsequent settlers thereon applying for a loan on the improvements.

Mr. BURY: That is, on the preceding settler's improvements.

Mr. STEWART (Edmonton): The improvements on the land. These improvements may not be made by the actual settler himself, but they are improvements made while he is in occupancy and the only applicant on the register for the patent for that particular land.

Mr. BURY: I did not quite catch what is the government's intention. Suppose a man goes on land, proposing to get a patent, makes improvements upon them worth $500 or $600; they go back to the government and later a second entrant comes into occupation. Can that second entrant get a loan on the first man's improvements? That is what I want to get at.

Mr. STEWART (Edmonton): Well, they would undoubtedly be the first man's improvements, but the first man has gone.

Mr. BURY: Certainly, and the lands have become the property of the crown.

Mr. STEWART (Edmonton): And the property of the later occupant.

Mr. BURY: They are not the property of the occupant until he gets his patent; they are the property of the crown.

Mr. STEWART (Edmonton): Quite true. I think I follow my hon. friend. He wants to know whether in the event of these improvements not being the actual improvements performed by the settler himself, he can get consideration?

Mr. BURY: Precisely, because that is the wording of your bill, "by such settler". Does the government propose to go back on the wording of this bill? Because if so, it is going to introduce a totally new principle.

Mr. STEWART (Edmonton): I told my hon. friends that so far as I am concerned I thought such a case would come within the category of the bill. I also promised both the hon. gentlemen in question that I would look into the matter and see whether the wording of section 3 provided for it.

Mr. GARLAND (Bow River): With respect to the point taken by the hon. member for East Edmonton, is it not true that in the event of a homestead being improved, the person who had originally applied for homestead having abandoned the land, anyone else could secure the property by paying an amount in lieu of the improvements already made? It would be most unlikely, therefore, that any incoming immigrants would be in a position to take advantage of the bill in such a case.

Mr. STEWART (Edmonton): It is true so far as Dominion crown lands are concerned, but I am not sure about the provincial regulations.

Mr. McGIBBON: Surely the minister is not going to open the door wider than it is at present. If he does that he is going to give any other man who wants to settle on the land the benefit of improvements previously made. That would open the door to frauds of all kinds. Surely the minister will not seriously consider such a suggestion.

Mr. BOURASSA: If the improvements are there and the government advances loans up to a certain amount, it is not going to consider whether John or Thomas has made those improvements. If the provincial government reports that the land is clear so far as title is concerned, even though those improvements have been made by a party who has not fulfilled his obligations to the government, I do not see what difference it makes. It is just the same as any other property that has been mortgaged.

Mr. McGIBBON: The minister has said over and over again to-day that the greatest asset is in the man himself. Now, there are hundreds or thousands of claims in northern Ontario where improvements of a certain kind have been made. There are buildings on them, the lands have been cleared, fences have been erected, and then the people settled on those lands have gone away. Does the minister tell me he is going to let anybody go in there, settle on those lands and claim $500 or $1,000, as the case may be, for clearing and other improvements that have been carried out by other people? If the government lends money on the strength of such cases as that, the door will be opened to frauds of all kinds.

Mr. GEARY: Am I right in my recollection that this loan of $500 would be by way of encouragement to immigration, the hope being entertained that the Imperial government would advance an equal sum? That is the case, I think.

Mr. STEWART (Edmonton): Yes.

Mr. GEARY: How is the immigrant to get $500? Because he must make the improvements himself, and the loan can be made only on such improvements. The immigrant is in England and can by no possibility have made any improvements.

Mr. STEWART (Edmonton): He could not be in England. He would have to be here, an occupant of the land.

Mr. GEARY: Then he is a Canadian citizen.

Mr. STEWART (Edmonton): He is after five years.

Mr. GEARY: Then he gets $1,000, so that the minister is not helping the British immigrant to the tune of $500; he is putting him in a position to get $1,000. I do not see where the differentiation comes in.

Mr. STEWART (Edmonton): There is practically no differentiation, but we are hopeful that the British government will join us in this scheme, as they have in all other schemes of this character.

Mr. GEARY: I am still curious to know how he is to get the $500 when he is not here.

Mr. STEWART (Edmonton): But he will have to be here.

Mr. GEARY: He will have to be here within the year.

Mr. STEWART (Edmonton): My hon. friend knows a good deal of recruiting is done in the Old Country for placing people upon the land. I speak particularly of soldier settlers. The initial stages are all taken in the Old Country. The same thing would apply in this case. If the settler comes here entirely unhampered, as a matter of course he becomes a Canadian citizen in five years.

Mr. GEARY: An immigrant cannot get a loan under this bill, and no immigrant is going to come here and borrow $500 within a year if he can stay one week over the year and get $1,000.

Mr. NICHOLSON: The minister, in answer to the hon. member for Labelle (Mr. Bourassa) who, I am sorry, has gone out for the moment, has taken a position that, as the hon. member for Muskoka-Ontario (Mr. McGibbon) says, throws the door open very much wider than I think he contemplates. What the hon. member for Labelle said is, I think very largely true, namely, that the original entrant or settler on crown lands in a large part of northern Ontario and northern Quebec is not the final settler and the man who gets the patent for the land. There is a very definite reason for that. I will speak more particularly of northern Ontario, because I have lived there for almost forty-five years. Men go on the land there not for the purpose of settling on it at all, but in order to take off during this period the most valuable crop that the land will ever have on it, and that is the timber. A settler on crown lands in Ontario and Quebec is entitled to all the timber on the land, spruce, maple and so on, excepting white and red pine. These men go on the land; they make a certain amount of improvements; they build a house or put up a camp to live in while they are there, and they cultivate a certain quantity of the land; but instead of their work constituting an improvement they have very much depreciated the original value of the land by removing the timber. If the minister is going to lend money to the second entrant in a case of that kind, he is not lending money because the value of the land has been improved. The land is not as valuable as it was before. As I said a moment ago, the most valuable crop the land can have on it in any one period of time is the original crop of timber. There are thousands of such cases where the timber has been removed according to an enumeration which was taken across all northern Ontario; and my information is that the same condition prevails very largely in northern Quebec as to the timber on the land and as to the type of settler who goes in there. The timber exploiter in many cases takes off the timber, and instead of the crown having an added security, it will never again get on that land anything as valuable as what the man has taken off. If the minister is going to give somebody else a loan on the strength of that, he is not getting any security at all.

Mr. STEWART (Edmonton): I think a very much wider construction than is intended is being put upon the bill, judging from the questions that have been asked with respect to the second entrant upon crown land. What I had in mind was simply a case where a homesteader, as we call him in the west, goes upon land and abandons it. That happens in a considerable number of cases. If there are upon the land improvements which are always of a meagre character, we charge the second entrant with those improvements. I can conceive of a situation all through the older provinces where, just as my hon. friend has said, the most valuable crop the land will ever produce has gone and the lands are abandoned. I can say at once that no loan of any character would be made upon land of that description. The land itself must be good land.

Mr. NICHOLSON: This is the best of land.

Mr. STEWART (Edmonton): I do not know the circumstances, but if they are the best of lands it is a strange thing that they should be lying idle with no one in possession of them. The lands must be good lands before they come under the provisions of this legislation. It is likely that there will not be many cases in which consideration will be given for a loan to a second entrant, because as the hon. member for Muskoka-Ontario has pointed out, the intention of this measure is to get new settlers on new lands. I can conceive of cases where 160 or 100 acres of land have been taken up and abandoned, and if it is good land someone else will immediately apply. Improvements of some value may have been effected that the present applicant will have to improve further before he will be given consideration for a loan. As regards widespread applications, hon. members will please forget that, because that is not the intention of the government under this legislation.

Mr. BOYS: The minister himself seems to be in some doubt as to the construction to place upon the matter we are now dealing with, namely, the words "on the security of improvements made by such settler." One would think, from a reading of the section that the intention was that nobody could make application other than the settler who himself, or by his agents at all events, had made the improvements. I am aware that if this legislation has to be construed in the future any declarations or statements that we make in this House will make no difference. But if there is any doubt about the matter—and from what the minister says there seems to be some doubt about it—it should be placed beyond peradventure.

Mr. STEWART (Edmonton): Since this discussion has arisen—and I see the possibility of its spreading out into wide dimensions—as that is not the purpose at all I may have to come back to the House and confine the provisions of the bill strictly to first settlers and crown lands.

Mr. BOYS: I would not say that it should be made applicable to first settlers only. It seems to me that the only person entitled to a loan is the settler who makes the improvements, whether he be the first or the second entrant. But I would certainly be opposed to the legislation if it was to entitle the second entrant, who has done nothing whatever upon the land but who gets possession because of an abandonment, to get a loan of $500 or $1,000 on the strength of what somebody else has done. That would be absurd. As I read the bill it does not mean that, but I am making this criticism because of the more or less indefinite attitude the minister has taken upon it. He seemed to think that the door was open to that construction. I certainly do not think it is, but if there is any doubt about the matter and if the clause is to be redrafted, as I understand it is, it ought, I think, to be made perfectly clear that it is to relate to the improvements made by the applicant and by nobody else.

Mr. STEWART (Edmonton): The act clearly was to apply to the first entrant upon a given piece of crown land. I can see where we might make it apply to the second—

Mr. BOYS: Why not?

Mr. STEWART (Edmonton): The intention was of course to settle unoccupied crown lands.

Mr. BOYS: Very well; and if the land is abandoned it is unoccupied.

Mr. STEWART (Edmonton): That is true. The difficulty is that in giving way in one particular, pressure is brought to bear upon you to give way further. I am thoroughly in accord with the suggestion that the idea was to confine it absolutely to the original applicant, and to unoccupied crown lands.

Mr. BURY: It does not necessarily follow that it should be confined to the original occupant, so long as it is confined to the improvements that have been made by the present applicant whether he be the first, second, third or fourth person to occupy the land.

Mr. STEWART (Edmonton): My hon. friend knows of course that wherever a homesteader has settled on land he has made some improvements.

Mr. BOYS: There might be misrepresentation.

Mr. STEWART (Edmonton): Not always. The applicant, generally speaking, makes improvements for which usually he gets no credit.

Mr. BOYS: The minister misunderstands me. There might be some misrepresentation by the second or the third entrant in regard to improvements he alleges to have been made by himself. He might suggest that he had made some improvements while in reality he had made none.

Mr. STEWART (Edmonton): When you confine it definitely to the improvements effected by the applicant himself and by no one else, you are apt to have trouble. Clearly, as I see it, the intention of the bill as drafted is that the provision shall apply to unimproved crown lands, and to the first applicant.

Mr. EDWARDS (Frontenac): Subsection (b) of section 3 provides for a loan:

To a settler, other than a Canadian citizen, an amount not exceeding five hundred dollars.

Is it the intention to make a loan to a foreigner coming here to settle on land before he has taken out his papers and become a naturalized British subject?

Mr. STEWART (Edmonton): I must answer that question rather carefully. I think I am correct in saying yes, but I may add that the settler cannot obtain his patent until he is a British subject. That safeguard is provided.

Mr. EDWARDS (Frontenac): The minister, I think, said that before, and I understand that part of it. My objection would be to making the loan to such an applicant at all. I do not think that any man coming to Canada should come within the provisions of this bill until he has become a naturalized British subject.

Mr. STEWART (Edmonton): I shall look into that point carefully. Before making application, however, the settler is required to declare his intention of becoming a British subject.

Mr. ESLING: How would this provision affect orientals and Doukhobors? Usually the Doukhobor is interested mainly in getting the timber off the land, which he then abandons.

Mr. STEWART (Edmonton): The oriental does not come under the bill.

Progress reported.

SUPPLY

DEPARTMENT OF MARINE AND FISHERIES

The House in committee of Supply, Mr. Duff in the chair.

Marine and Fisheries—Ocean and river service: maintenance and repairs to Dominion steamers and ice-breakers, $1,500,000.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): This vote is the same as last year's; in fact, the same vote has appeared in the estimates in previous years. It provides for the maintenance and operation of vessels employed in the icebreaking service in the St. Lawrence and the gulf, in construction work as required, and in the supply and maintenance of lighthouses, fog alarms, buoys, beacons and similar aids to navigation.

Mr. ROGERS: What expenditures have been made in connection with icebreaking at Port Arthur and Fort William?

Mr. CARDIN: There is a contract for $30,000.

Mr. ROGERS: All expended?

Mr. CARDIN: The amount of the contract has been paid.

Mr. BURY: Is there any provision for ice-breaking in Hudson bay?

Mr. CARDIN: Not yet.

Mr. ROGERS: What is the nature of this contract for $30,000? Is the money paid whether they break any ice or not?

Mr. CARDIN: That $30,000 comes under another item No. 231 for the breaking of ice in Thunder bay, lake Superior and other points deemed advisable in the interests of navigation.

Mr. BOYS: What was the amount expended last year in connection with this item?

Mr. CARDIN: Up to February 28th., there was expended $1,403,000 for the maintenance of all these boats.

Mr. EDWARDS (Frontenac): How many of these steamers and ice breakers are owned by the Dominion?

Mr. CARDIN: There are 27 vessels engaged in ice-breaking and looking after the maintenance of buoys, lighthouses, and so on.

Mr. EDWARDS (Frontenac): Are the captains and crews employees of the government?

Mr. CARDIN: Yes.

Mr. EDWARDS (Frontenac): If that is so, what was the reason for paying $30,000 on a contract for ice breaking at Port Arthur?

Mr. CARDIN: These vessels are operated particularly in the gulf of St. Lawrence and on the Pacific coast. There are also some on the lakes, but I am informed we have no vessel on lake Superior capable of breaking ice.

Mr. EDWARDS (Frontenac): How much money has been spent for ice-breaking by steamers and ice-breakers other than those owned by the government?

Mr. CARDIN: That is the only amount, $30,000, which is covered by another vote, as I have just mentioned.

Mr. EDWARDS (Frontenac): Outside the million and a half?

Mr. CARDIN: Yes.

Mr. CLARK: What was the expenditure under this item in 1924-25?

Mr. CARDIN: $1,390,000.

Mr. TOLMIE: What work was the Thiepval engaged in at the time she was wrecked on the west coast of Vancouver island?

Mr. CARDIN: She was engaged in work for the Department of National Defence.

Mr. TOLMIE: Was she engaged in protecting the fisheries at that time?

Mr. CARDIN: Unfortunately I have not that information at hand.

Mr. TOLMIE: What department paid for the repairs?

Mr. CARDIN: The Department of National Defence.

Mr. McGIBBON: How many months of the year are these ice breakers in operation?

Mr. LAPOINTE: The winter months.

Item agreed to.

Examination of masters and mates, $20,000.

Mr. EDWARDS (Frontenac): Is this examination conducted by the Civil Service Commission?

Mr. CARDIN: No, the examinations are conducted by captains appointed by the department.

Mr. ROGERS: How much does each examination cost?

Mr. CARDIN: I could not say. In Halifax we are paying Captain Mitchell, Supervising Examiner, a salary of $2,580, and his stenographer $1,260. He held twenty examinations for masters, thirty-one for mates, and thirteen for second mates. We have an office in Halifax that looks after these examinations.

Mr. SHORT: Are examinations held at any other place in Nova Scotia besides Halifax?

Mr. CARDIN: Yes, at Yarmouth and North Sydney.

Mr. SHORT: Who is the examiner at Yarmouth?

Mr. CARDIN: The position is vacant, the examiner having died last year.

Mr. SHORT: Is it intended to appoint a successor?

Mr. CARDIN: Yes. Of course the appointment will be made by the Civil Service Commission.

[Mr. Cardin.]

Mr. EDWARDS (Frontenac): How frequently are these examinations held?

Mr. CARDIN: Whenever there is a sufficient number of candidates.

Mr. EDWARDS (Frontenac): This particular examiner examined sixty all told, if my addition is correct, and received for his services $2,500, his stenographer being paid $1,200. In addition, I suppose, there was office rent as well as other expenses. I presume he would examine five or six candidates at a time, so that would be a little over one examination a week. What did he do to earn his money in the meantime? And what did his stenographer do?

Mr. CARDIN: The figures I have given represent those who passed the examinations Of course a greater number of candidates failed to pass. As to the rent, these officers are occupying a public building in Halifax, and we are not paying any additional rent.

Mr. EDWARDS (Frontenac): How many tried the examinations? With this information we will be able to estimate his work.

Mr. CARDIN: I have not that information.

Mr. STEWART (Leeds): Is any examination fee charged?

Mr. CARDIN: No, but a small fee is charged for issuing the certificate.

Mr. BOYS: Are no other duties performed throughout the year by this official? If so, here is a wonderful chance for the minister to practise a little economy.

Mr. CARDIN: The amount is so small that you cannot cut it very much.

Mr. BOYS: I am not suggesting the minister is responsible. I suppose this position has been in existence for a number of years, but if someone is getting $2,500 a year for simply presiding over a few examinations two or three times a year altogether too much money is being paid, there is no doubt about that, and I think the minister might well look into it.

Mr. CARDIN: Although this man possibly has not to work ten or fifteen hours a day, he has to be at hand to examine candidates whenever they make application. Of course, as my hon. friend suggests, this office has been in existence for a very long time. I may add that the Civil Service Commission fixes the salary and classification. It is very important

to continue this work in order that we may have men properly qualified for navigation. It is classified by the Civil Service Commission.

Mr. BOYS: I was under a misapprehension; I gathered from what I had heard that these men presided at examinations. Evidently, that is not so. Is it that they are in an office and that at any time a person may present himself for examination, and they must be there all the time?

Mr. CARDIN: All the time.

Mr. ROGERS: How many men have you?

Mr. CARDIN: At Halifax we have Captain Mitchell, who is presiding examiner, and there is a stenographer. That is all we have there.

Mr. BURY: May I ask the minister if these officers could not do other work? I know that the officers of the merchant marine in the Old Country who conduct the examinations in mercantile marine are working captains, who are carrying on their profession. They do not sit on a stool waiting for officers to present themselves for examination; they are working captains, getting paid for their regular duties. Then there is another question: is the salary fixed or are the examiners paid so much for every examination?

Mr. CARDIN: These salaries are fixed, and I must say to my hon. friend that he is wrong in his contention that these examinations are held in England by regular captains. The examinations are held by officers of the board of trade, and not by captains.

Mr. BURY: They are held by officers representing the board of trade, who are themselves operating captains.

Mr. CARDIN: That is not my information.

Mr. BURY: They used to be, at all events.

Mr. STEWART (Leeds): When the minister uses the term "presiding examiner" does he mean that there are other examiners?

Mr. CARDIN: That is the title, and this man at Halifax supervises the work at Yarmouth and North Sydney as well. Probably that is the reason why he has been classified as a supervising examiner, but of course this title has been given him by the Civil Service Commission.

Mr. STEWART (Leeds): Do I understand that this supervising examiner devotes the whole of his time to this work?

Mr. CARDIN: Yes.

Mr. STEWART (Leeds): Do the other examiners not so classed devote all their time to the work? What salary do they receive?

Mr. CARDIN: Not in North Sydney; in North Sydney Captain Sutherland works eight months as examiner. He has a regular office, as in Halifax, but receives a salary of only $600. In Yarmouth the examiner receives a salary of only $1,440, and there is no other employee under him.

Mr. EDWARDS (Frontenac): What do they do, in North Sydney and Yarmouth, in the other four months? My hon. friend says it is necessary to have a man in Halifax all the time, to be ready in case anyone comes in and wants an examination, but in Yarmouth and North Sydney it is only necessary to have a man during eight months. It strikes me that a certain time might be set for this examiner to hold his examinations in Halifax, say once a month or once every two weeks, and he could go to North Sydney and conduct an examination there; to Yarmouth, and conduct an examination there, and so on. It seems to me, from what has already been stated by the minister, that there is not enough work to occupy even a small part of the time of this gentleman and his stenographer, who between them cost about $3,500 or $4,000 a year. This is an excellent opportunity to cut down expenses. The situation is not answered at all by saying that these men are appointed by the Civil Service Commission. The Civil Service Commission makes an appointment when they are requested to do so by the department, so the blame comes back to the department for recommending the appointment of more men than are really necessary to carry on the work properly. I quite agree with the minister that it is very necessary to have competent examiners; this is important work and these men should be qualified before receiving their certificates. That is all very true, but for a good part of the time these officials cannot possibly have anything to do.

Mr. SHORT: Will the minister tell us how many examinations were held in Yarmouth last year by the examiner there, who received a salary of $1,400?

Mr. CARDIN: I am informed that the position has been vacant during this last year.

Mr. SHORT: No examinations were held there?

Mr. CARDIN: No.

Mr. SHORT: To whom was the $1,400 paid?

Mr. CARDIN: It has not been paid.

Mr. McGIBBON: Will the minister tell me what the balance of this $20,000 is for, besides this officer and his stenographer?

Mr. FRASER: Has the minister an examining board at the Pacific coast?

Mr. McGIBBON: I would like an answer to my question.

Mr. CARDIN: There are establishments of the same character in other parts of the country. We have spoken so far only of Halifax, Yarmouth and North Sydney, but there is an officer at Quebec, although he receives only $720 a year. There is another establishment at St. John, New Brunswick; another in Montreal; another in Prince Edward Island, and one in Toronto. There is a supervising examiner at Toronto, receiving the same salary as the officer at Halifax; he also has a stenographer. Then there is another establishment at Collingwood; one at Port Arthur and one at Selkirk, Manitoba. This last office is vacant at the present time.

Mr. ROGERS: What about Goderich; have you none there?

Mr. CARDIN: No. In regard to the western division there is an establishment at Vancouver; another at Victoria and there was one at Nelson, which is vacant at present. At Vancouver the salary is about the same, $2,340; at Victoria the salary is $1,500.

Mr. FRASER: Is there just one official at each place?

Mr. CARDIN: There is a stenographer at Vancouver as well as the examiner.

Mr. McGIBBON: Could not some of these offices be closed. Is it necessary to have two or three offices in Ontario to examine a few mates?

Mr. CARDIN: I understand that these establishments have been provided because of requests made by people interested in navigation matters; they are for the convenience of those people.

Mr. McGIBBON: But the minister has the responsibility. I am asking if he cannot cut them down. It does not matter what his predecessors have done; we are here to enforce economy as much as possible, and it appears to me to be absurd to have two or three officers in this province with practically nothing to do.

[Mr. Cardin.]

Mr. SHORT: The minister stated that there has been no examiner at Yarmouth for a whole year. Could not that $1,400 be very well dispensed with? That is a small item, perhaps, but if these other men could do the work that amount would be saved.

Mr. LAPOINTE: Maritime rights!

Mr. CARDIN: In answer to my hon. friend I am informed that the examiner at Halifax has been requested several times to go to Yarmouth. I would hesitate to close this office, because I am informed that the people in that vicinity are anxious to keep the office, and it has been profitable and advantageous to those interested in such matters. At all events, I am ready to take into consideration the very friendly representations made by my hon. friends opposite.

Mr. FRASER: What does the minister think about the position at Nelson?

Mr. CARDIN: That position is vacant at the present time.

Mr. FRASER: Has it been vacant during the whole year?

Mr. CARDIN: Yes.

Mr. FRASER: Then the same thing which applies to Yarmouth would apply also to Nelson.

Mr. BURY: If the $1,400 was not paid at Yarmouth this year, how comes it there is no difference between the $20,000 of the previous year and the $20,000 of last year?

Mr. CARDIN: We are asking for the same amount as last year, but this does not represent the expenditure.

Mr. ROGERS: What amount was expended last year?

Mr. CARDIN: We spent $15,952, up to February 28th last.

Mr. CLARK: How many vacant positions were there?

Mr. CARDIN: Three, one at Yarmouth, one at Selkirk, Manitoba, and one at Nelson, British Columbia. The salary at Nelson and Selkirk is small, only $600. At Yarmouth it is $1,440.

Mr. SHORT: What does the examiner at Yarmouth do to earn $1,400? The place has been closed a year. How many examinations did he have to make?

Mr. CARDIN: I have not the number of examinations which he made last year.

Mr. SUTHERLAND (South Oxford): I observe from the Auditor General's report that the amount spent last year was $19,994.

Mr. CARDIN: That is for 1924-25.

Mr. SUTHERLAND (South Oxford): Would the minister state what the duties of the supervising examiner are? I understand that candidates for the positions of mate and captain come before examiners, and are examined by them. What is the work of the supervising examiner, who does not see the candidates at all?

Mr. CARDIN: The supervising examiner checks the papers of the examiners at the other places. The examination papers at Yarmouth, for example, are forwarded to the supervising examiner at Halifax, who checks them up. He supervises the work of the officers in the smaller ports, like Yarmouth and North Sydney.

Mr. SUTHERLAND (South Oxford): Are the certificates that are granted issued by the supervising examiner?

Mr. CARDIN:: The examiner at Yarmouth, for example, sends in his report to the supervising examiner at Halifax, who checks the papers and forwards them to Ottawa, and the certificate is issued at the department here after all the documents have been passed on and approved by the supervising examiner at Halifax.

Mr. SUTHERLAND (South Oxford): Could there not be some competent officer in the department here to do the supervising, instead of the supervising officer who does not see the candidates at all?

Mr. CARDIN: We have officers in the department checking even the reports of the supervising examiner.

Mr. SUTHERLAND (South Oxford): If the supervising examiner does not see the candidates at all, it would seem to me that some of this work must be superfluous, because the report he makes to the minister has to be examined by officials in the department.

Mr. NICHOLSON: If the work of the supervising examiner at Halifax, for instance, is that of checking the reports of the men who actually examine the candidates, then forwarding them to Ottawa for rechecking, surely instead of having one supervising examiner at Halifax with an office and an office staff and another at Toronto with an office and an office staff—not actually examining candidates but simply scrutinizing fifty or sixty examination papers annually, sent in to him by the men who actually make the examination—the minister could save a little money by having only one supervising examiner stationed at Ottawa, to whom all these reports could be sent in the first place. Why send the papers from Yarmouth to Halifax, and from Port Arthur or Collingwood to Toronto, to be checked, and then send them to Ottawa to be rechecked? Set the examinations, if you will, and then at Toronto, Collingwood, Owen Sound, and other places where you have scores of captains doing nothing when their ships are laid up, and who would be glad to act as examiners, have these local men do the work and send in their reports to one supervising examiner at Ottawa for the whole country. The minister could save a little money here, at least, and the virtue of saving is a very good virtue to begin to practise at some point.

Mr. CARDIN: Even if we could find somebody in Toronto and elsewhere to take charge of the examinations, they would not work for nothing; we should have to pay them. I might point out that these supervising officers not only supervise the reports of other officers, but they also act as examiners themselves; in fact their most important work is taking charge of the examinations in the more important ports. They supervise, in addition, the work done in the less important places, but their main duty is to carry on a very much greater number of examinations themselves.

Mr. NICHOLSON: Is there a greater number of applicants for certificates as masters and mates in Toronto than in Port Arthur, Fort William, Sault Ste. Marie, Collingwood, or any of these ports out of which boats on the Great Lakes run? Why should it be necessary to have a supervising examiner conduct the examinations at one port, and an ordinary captain—for that is what they are, practical men who know their business—make the examinations at some other port? The class of work done in both cases is just the same, so why should one man get $2,500 a year and be given a stenographer and an office, and another man somewhere else be paid only half that amount—because the minister has stated that the salary ranges from $600 to $1,450 and so on? Why make this variation? If you want a supervising examiner, why not have one at Ottawa for the whole country?

Mr. CARDIN: The supervising examiners have much more work to do. The supervising examiner at Toronto, for instance, has recommended the issuing of certificates for 43 masters, although he has examined a greater number than that, and 25 mates. In Kingston, for example, eleven masters and fourteen mates passed their examination compared with forty-

three masters and twenty-five mates, at Toronto. At Port Arthur only two masters passed the examination and only one mate. So the work the examiners have to do at these smaller places is not so heavy as the work which has to be performed in a large city like Toronto.

Mr. McGIBBON: I should like to ask the minister for the third time if it is not possible to cut out some of these places? There is an examination held in Kingston, one in Toronto, one in Collingwood, one at the Soo, and one at Port Arthur.

Mr. CARDIN: The supervising examiner for the Great Lakes division not only conducts the examination at Toronto but also visits other places in the province. At Collingwood we have Captain Coles, but he receives a salary of only $600. Outside of conducting examinations he gives lectures on navigation.

Mr. McGIBBON: Surely the minister does not seriously contend that all these officers are kept busy examining students during the twelve months when there are only forty candidates at one place, twenty at another and thirty at another. Why, there is not enough work combined to keep one man busy two months. I should like the minister to take this matter a little more seriously. It is a small matter, it is true, but there is a duplication of offices and salaries in Ontario at least that is absolutely unwarranted. The minister simply receives the suggestion with a shake of his head, as though it were of no importance whatever. If he has an examiner in Toronto who goes to Collingwood, a distance of only three hours by train, why is it necessary to have another examiner in the latter port? What is the sense of this duplication at every little port around the lakes? After all it only represents about one man's job for a year.

Mr. CARDIN: I am afraid I could not venture to close the office at Toronto without incurring very serious criticism from the navigation companies. They are desirous of maintaining the office so that they may obtain properly qualified masters and mates. The Toronto office is really doing a very important work.

Mr. McGIBBON: I am not asking you to close the office at Toronto, I am asking what is the sense of maintaining seven or eight of these offices in the province of Ontario.

Mr. CARDIN: There is really only one office having jurisdiction over the Great Lakes, and that is the Toronto office. But the supervising examiner holds examinations at smaller places.

Mr. McGIBBON: Did you not tell us that you had an official at Collingwood?

Mr. CARDIN: There is one there.

Mr. McGIBBON: And at the Soo and at Port Arthur?

Mr. CARDIN: There is only one at Collingwood. That official receives a small salary and, as I have just stated, delivers lectures on navigation outside his other duties.

Mr. GEARY: Is it not a fact that the minister has not increased his staff since 1924-5? You still have a man with a stenographer in Toronto, and you have a man in Collingwood?

Mr. CARDIN: Absolutely.

Mr. GEARY: And the chief examiner conducts examinations at other points in the province?

Mr. CARDIN: The examiner at Toronto does.

Mr. GEARY: The provision made does not seem excessive.

Mr. McGIBBON: If there are only two men, why the need of estimates to the amount of $20,000?

Mr. LAPOINTE: That $20,000 is for the whole country.

Mr. CARDIN: Yes, $20,000 for the whole work.

Mr. McGIBBON: You have been telling us that two men only are doing the work.

Mr. CARDIN: No, that was the work of the Great Lakes division of Toronto.

Mr. LAPOINTE: We have to defend the interests of Ontario against my hon. friend.

Mr. CHAPLIN (Lincoln): What is the cost of the Port Arthur office?

Mr. GEARY: What class of stenographer have you in Toronto? The salary you pay is $600. That does not seem enough for a stenographer in that city.

Mr. CARDIN: The salary is $780, the salary of a regular stenographer.

Mr. GEARY: That is not as much as other stenographers get in government departments.

Mr. CARDIN: This amount has been fixed by the Civil Service Commission for the work performed there.

Mr. GEARY: Is the stenographer employed all the time, or just temporarily?

Mr. CARDIN: All the time.

Mr. GEARY: It is a very low salary.

Mr. CANTLEY: I rather sympathize with the minister in his efforts to enlighten my agricultural friends behind me.

Mr. LAPOINTE: Hear, hear.

Mr. CANTLEY: There would be no objection in the Maritime provinces if the minister closed up all these offices on the lakes. They are only fresh-water sailors up there, and perhaps seldom out of sight of land. For the enlightenment of my hon. friends behind me, and of others, I may say that the offices in the Maritime provinces are necessary. Let me illustrate why. A young man goes to sea. After he has been at sea for a year or two years he goes up for examination as second mate. He takes a month, two months, or three months as the case may be to attend a navigation school, and then he goes up for his second mate's ticket. If he passes the examination he gets his ticket. He goes to sea again and after having served a certain length of time and obtained a certificate that he has served for that period as second mate, he again goes to the navigation school for whatever time may be necessary. Then he goes up for examination for his first mate's certificate. Having succeeded in obtaining his certificate he goes again to sea and passes a certain specified time as first mate. He comes back with the required certificate and attends the navigation school for a further period. Then he presents himself for examination and in the event of his being successful is given his ticket as a master. These offices in the Maritime provinces are absolutely necessary. A man may have been at sea on a foreign voyage for six or nine months and then his ship goes into Sydney or into some other port in the Cape Breton district. It is not reasonable that he should be required to go to Halifax to undergo examination. It is for that reason that examining offices have been established at the outports of Sydney and Yarmouth. The only objection I have in the matter is this: If the office of examiner at Yarmouth was vacant during the whole of last year it is something which should not have happened —it is a positive hardship. I object to any reduction in the vote for the Maritime provinces, but I am not concerned to any extent whatever as to the fate of the Ontario examining offices.

Mr. CHAPLIN (Lincoln): I asked the minister previously what the cost of the Port Arthur office was.

Mr. CARDIN: There is no office at Port Arthur. The supervising examiner goes there and conducts the examination himself.

Mr. CHAPLIN (Lincoln): The minister sends a man there to examine two or three people, I understand, two masters and one mate?

Mr. CARDIN: Yes.

Mr. CLARK: Who is the supervising examiner at Vancouver?

Mr. CARDIN: Captain L. H. Lindsay.

Mr. CLARK: How long has he held the office?

Mr. CARDIN: Two years.

Mr. CLARK: Who was the former officer?

Mr. CARDIN: Captain Eddie.

Mr. CLARK: What is the salary paid?

Mr. CARDIN: $2,340.

Mr. CLARK: Does he hold any other position under the government?

Mr. CARDIN: No.

Mr. CLARK: Does he give his whole time to the work?

Mr. CARDIN: Yes.

Mr. CLARK: He is not allowed to do any other work?

Mr. CARDIN: No.

Item agreed to.

Investigation into wrecks, $6,000.

Mr. BOYS: Will the minister explain this item? The reason I want to know is because I have been trying to have a little wreck removed at the mouth of the Nottawasaga river, and I want to make sure that has been provided for this year.

Mr. CARDIN: I am informed it has been removed.

Mr. BOYS: I am glad to be able to congratulate the government on accomplishing one thing at all events.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.05 p.m.

Wednesday, April 7, 1926

The House met at three o'clock.

REPORT OF DEPARTMENT OF AGRICULTURE

Mr. W. F. KAY (Brome-Missisquoi): I move that the report of the hon. the Minister of Agriculture (Mr. Motherwell) for the year 1925 be referred to the select standing committee on Agriculture and Colonization.

Mr. SPEAKER: This motion should be preceded by notice and it may be adopted only by unanimous consent of the House. Is it the pleasure of the House to adopt the motion?

Motion agreed to.

TARIFF ADVISORY BOARD—PERSONNEL

Right Hon. W. L. MACKENZIE KING (Prime Minister): I beg to lay on the table copy of an order in council in which I know my right hon. friend the leader of the opposition (Mr. Meighen), will be particularly interested. I refer to the order in council in relation to the board on tariff taxation and other related matters, in other words, the Tariff Advisory Board. The order in council in question sets forth the personnel and powers of the board. I may mention that Mr. Hector Brown McKinnon of Toronto has been appointed secretary to the board, although his name is not mentioned in the order in council.

Mr. MEIGHEN: Who are the board?

Mr. MACKENZIE KING: The Right Hon. George P. Graham, chairman, Mr. Alfred Lambert of Montreal and Mr. Donald Gordon McKenzie of Brandon.

Mr. MEIGHEN: What happened to Mr. Daoust?

Mr. MACKENZIE KING: He asked that he be not considered.

MARITIME RIGHTS COMMISSION—PERSONNEL

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table of the House a copy of the order in council appointing the royal commission to inquire into certain matters respecting the Maritime provinces. The personnel of this commission is Sir Andrew Duncan, chairman, Hon. W. B. Wallace and Professor Cyrus Macmillan of McGill University.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SHIPMENTS OF CANADIAN CATTLE

Mr. ROSS (Moose Jaw):

1. On what conditions are cattle admitted to Great Britain for grazing and feeding purposes?
2. What has been the cost to the government of the inspection and supervision in transit of these cattle year by year?
3. How many store cattle have been shipped to the United Kingdom year by year since the lifting of the embargo?
4. How many cattle of all kinds have been shipped to the United Kingdom in the same periods?
5. Have any cases of contagious disease been discovered by officers of the Department in shipments of store cattle going forward to the United Kingdom since the embargo was lifted?
6. What percentage of Great Britain's live stock consumption is supplied by Canada?

Hon. Mr. MOTHERWELL:

1. Synopsis of "Order of the Minister of Agriculture and Fisheries" (dated 9th March, 1923.)

"Importation of Canadian Cattle Order of 1923".

Canadian store cattle are cattle born and reared in the Dominion of Canada, consisting only of castrated males and spayed females, and intended for feeding purposes, and not for immediate slaughter.

Landed at a port and landing place approved by the minister under supervision of an inspector.

Certificate signed by a duly authorized officer of the Dominion of Canada.

Cattle have been kept separate for three clear days immediately before shipment and examined from time to time by an authorized veterinary officer of the Dominion of Canada and no cattle plague, pleuro pneumonia, foot and mouth disease or mange found.

If steamer conveying cattle had within 28 days preceding carried cattle coastwise from any port other than in Great Britain and Canada or has entered such port must be cleansed and disinfected.

Cattle are eartagged and branded with letter C on right cheek.

A declaration by the master of the vessel that the cattle were shipped from a port in Canada and vessel has not entered any port or place outside Great Britain.

A certificate signed by an authorized veterinary officer of the Dominion of Canada that the cattle have been kept separate from other animals and examined daily by him during the voyage and no cattle plague, pleuro-pneumonia or foot and mouth disease has been

found also stating whether any cattle have died on the voyage and giving the cause of death.

After landing the cattle are subject to regulations concerning movement of such cattle in Great Britain.

2. 1922-23—
Not including salaries.. ..$ 343 45
Including salaries.. .. .. 1,104 99
1923-24—
Not including salaries.. ..$13,564 45
Including salaries.. .. .. 35,919 12
1924-25—
Not including salaries.. ..$20,964 98
Including salaries.. .. .. 51,574 49
1925-26—
(To December 31, 1925)
Not including salaries.. ..$22,361 43
Including salaries.. .. .. 55,081 58

3. 1922-23.. 1,068
1923-24.. 28,151
1924-25.. 53,661
1925-26 (to Feb. 28).. 86,153

4. 1922-23.. 32,746
1923-24.. 59,796
1924-25.. 86,546
1925-26 (to Feb. 28).. 110,040

5. No contagious disease dealt with under the Animal Contagious Diseases Act or referred to in the British order, has been discovered by officers of the Health of Animals branch in connection with the above shipments.

6. Total meat imported and home grown 6,159,717,000 lbs.; Amount supplied by Canada, 232,716,072 lbs. or 3.8%.

On the basis of values, the percentage share of Canada in the total of imported meat (both alive and dead)—6.87%.

SEIZURE OF VESSEL PESCAWHA

Mr. LADNER:

1. Has the government any information relative to the seizure of the vessel Pescawha, and the arrest of Captain Robert Pamphlet and crew off the mouth of the Columbia river by United States revenue officers, and the subsequent conviction of the said Captain Pamphlet and his crew by United States courts?

2. In view of the provisions of the boundary line treaty of 1846, whereby the Columbia river was made an open waterway for British traders and their goods, is it the intention of the government to take any action to protect the treaty rights of the Canadian people?

Right Hon. Mr. MACKENZIE KING:

1. While no communication in regard to this occurrence has reached the government from or on behalf of the owners, master, crew or anyone interested in this vessel, press reports regarding the case were noted at the time of her seizure and His Majesty's ambassador at Washington was requested to make inquiries into the matter.

Sir Esme Howard has forwarded reports from His Majesty's consul at Portland in which it is stated that the vessel, with a cargo of liquor aboard bound for Mexican ports, was seized by the United States Revenue Cutter Algonquin on the 4th February, 1925, at a point some twenty miles off the coast of the State of Washington, between Willapa and Grays Harbour. The captain and crew were brought to Portland and lodged in gaol, but no appeal was made for diplomatic intervention, nor any attempt made by the prisoners to communicate with His Majesty's consul. They were subsequently released on bond, and were ultimately brought to trial before a jury at Portland on the 26th February of the present year. A verdict of guilty was returned against them and the case was immediately appealed, and the appeal is now pending.

2. As the reported locality of the seizure was in the open sea, at a considerable distance from the mouth of the Columbia river, it is not understood how the rights of navigation in that river secured to British subjects could have been infringed, but if evidence is received of their infraction, suitable steps will be taken to protect them.

RADIO SETS FOR LIGHTHOUSES

Mr. LADNER:

1. Is it the intention of the Department of Marine and Fisheries to equip Canadian lighthouses with radio receiving sets?

2. Is the government aware that in the case of the big bank robbery at Nanaimo a short time ago that the bandits were hiding in their launch close to the Porlier Pass lighthouse that the lighthouse keeper saw said bandits' launch and also police boat passing near by and not knowing of the said robbery failed to notify the police boat of the hiding place, and the bandits escaped, thereby involving thousands of dollars of public money in further search throughout Canada and the United States?

3. Is it the intention of the Department of Marine and Fisheries to install in certain of the more exposed lighthouses radio broadcasting equipment of sufficient range to communicate in case of emergency with larger centres of population?

Hon. Mr. CARDIN:

1. It is not the intention of the Department of Marine and Fisheries to equip all Canadian lighthouses with radio receiving sets.

2. No.

3. The following isolated lightstations have means of communication which were primarily established as aids to navigation.

British Columbia—Dead Tree Pt. Q.C.I., radio; Cape Beale, radio phone; Pachena, radio phone; Carmanah, radio phone; Estevan,

radio phone; Merry Island, radio phone; Lennard Island, cable to Tofino.

Quebec—Magdalen Islands, radio.

Nova Scotia—Seal Island, radio; Sable Island, radio; St. Paul's, radio.

Newfoundland—Cape Race, radio; Cape Ray, radio; Belle Isle, radio.

MR. M. O. DURANT

Mr. DOUCET:

1. Has Mr. M. O. Durant of the Legal branch, Department of Public Works, been given a promotion recently by the Civil Service Commission? If so, to what grade and at what salary?

2. Is that increase of salary included in the estimates of the said department for the year 1926-27?

3. What position did Mr. Durant occupy in the said department before being transferred to the Legal branch?

4. Have promotions been given to other members of the said branch of the department? If so, to whom and at what increase in salary?

Right Hon. Mr. MACKENZIE KING (for the Minister of Public Works):

1. Yes. To clerk, grade 4, $1,500 to $1,800.

2. Yes.

3. Stores clerk, Engineer's branch.

4. J. A. Chasse, by revision, 1st April, 1919, from division 1B to junior departmental solicitor, $2,800-$3,060. Increase $260.

Miss Y. Parent, by revision 1 April, 1919, from clerk 3B to law clerk stenographer, $1,000-$1,080. Increase $80.

WALLACEBURG CUSTOMS AND POST OFFICES

Mr. CHAPLIN (Kent):

1. Was a site for a post office and customs office purchased by the Dominion government in the town of Wallaceburg?

2. If so, in what year was the purchase made, what was the size of the lot, what was the price paid for it?

3. What rental is being paid for the premises used for customs purposes in Wallaceburg?

4. What rental is being paid for the premises used for post office in Wallaceburg?

5. How much money has been spent, other than rentals, by the government, on the buildings used for customs and post office, since the above site was purchased?

Hon. Mr. LAPOINTE:

1. Yes.

2. (a) 1910; (b) 60 feet on Nelson street, by 100 feet on James street, of which 10 feet is reserved for right of way; (c) $3,000.

3. Nil.

4. Postmaster provides the space for postal purposes for which he receives a rent allowance based on the revenue. This allowance for the fiscal year ended 31st March, 1925, was $700.

5. Nil.

[Mr. Cardin.]

CANADIAN NATIONAL RAILWAYS—EARNINGS AND OPERATING EXPENSES

Mr. SENN:

1. What were the gross earnings of the Canadian National Railways for the year 1925 on, (a) central region; (b) Atlantic region; (c) western region?

2. What were the operating expenses of the Canadian National Railways for the year 1925 on, (a) the central region; (b) Atlantic region; (c) western region?

Hon. Mr. DUNNING:

1. (a) $119,390,408.96; (b) $20,287,613.05; (c) $73,445,226.05.

2. (a) $98,452,039.53; (b) $23,463,862.70; (c) $67,052,478.24.

ASBESTOS

Mr. SIMPSON:

1. What quantity of asbestos was mined or produced in Canada during 1925 or the last twelve-month period of which the government has a record?

2. What amount of this asbestos was manufactured in Canada during the same period?

3. What amount was exported in the natural or unmanufactured state?

4. What was the value of the amount exported?

5. What was the value of articles manufactured from asbestos, or of which asbestos formed the principal part, and imported into Canada during the same period?

Right Hon. Mr. MACKENZIE KING (for the Minister of Trade and Commerce):

1. Sales of asbestos from Canadian mines in 1925 totalled 290,121 tons valued at $8,995,854 as compared with shipments of 225,744 tons valued at $6,710,830 in 1924.

2. Complete data as to the amount of Canadian asbestos manufactured into products such as brake-linings, etc., are not available as the companies engaged in this industry use some crude, and some yarns and cloth part of which is imported in that form, although it may have been made from Canadian crude. In 1924, the asbestos products industry in Canada used:

Asbestos, cloth and yarn—105,152 yards.. ..	$46,632
Asbestos, crude and fibre—75,967 lb..	24,753
Asbestos, paper, corrugated and plain—253,300 sq. ft..	5,369

Another large factory for the manufacture of asbestos products in Canada was opened in June, 1924. Data as to the consumption of crude by this plant are not available for publication but the following figures, showing the differences between sales from the mines and tonnages exported in each of the past three years, indicate the growing consumption of asbestos in Canadian plants:

	Calendar Years		
	1923	1924	1925
	Tons	Tons	Tons
Shipments from the mines...	231,482	225,744	290,121
Exports, as per customs' records...	215,502	204,749	258,017
Apparently used in Canada..	15,980	20,995	32,104

Asbestos paper and mill board are manufactured on a large scale; asbestos roofing of all kinds; asbestos rigid shingles; asbestos building materials; asbestos cellular, and sponge felted pipe insulations; insulating sheets and blocks; asbestos brake linings and clutch facings are woven on special looms, necessary for making asbestos textiles; asbestos packings for steam, oil and hydraulic operations.

Canada's Imports and Exports of Asbestos

—	Year ended December 31, 1924		Year ended December 31, 1925	
Imports of Asbestos into Canada:—	lb.	$	lb.	$
Asbestos packing	221,266	98,418	222,051	98,169
Asbestos in any form other than crude, and all manufactures of, n.o.p.	(a)	441,300	(a)	350,600
Total imports	.....	539,718	.....	448,769
Exports of Asbestos from Canada:—	tons		tons	
Asbestos—				
Of Canadian origin	107,200	6,297,819	136,750	8,090,106
foreign origin	.....	.....	.....	.....
Asbestos sand and waste—				
Of Canadian origin	95,089	1,220,070	121,267	1,592,286
foreign origin	.....	.....	.....	.....
Asbestos manufactures—				
Of Canadian origin	(a)	44,132	(a)	55,572
foreign origin	(a)	4,459	(a)	6,396
Total exports—				
Of Canadian origin	.....	7,562,021	.....	9,737,964
foreign origin	.....	4,459	.....	6,396

(a) Entered at value only.

BUTTER AND CHEESE GRADING

Mr. BOTHWELL:

1. What have been the records of grading dairy produce for export from Canada (a) in percentage of improvement in (1) butter, (2) cheese; and (b) in percentage of both butter and cheese, grading (1) special, (2) No. 1, and (3) No. 2?

2. How many dairy produce graders were employed in 1925 and where?

3. What was the total cost of grading butter and cheese in 1925?

4. What quantities of butter and cheese were graded in 1923, 1924 and 1925, respectively?

5. What was the cost of grading (a) 100 pounds of butter, (b) 100 pounds of cheese?

6. Are the grades, as marked by Canadian graders, accepted in the United Kingdom?

7. Is the total cost of this grading service borne by the government, and if so, is it the intention to so continue this service?

Hon. Mr. MOTHERWELL:

1. (a) 1. Pasteurized butter, 1924—increase in special and first grades over 1923—6.6 per cent. Unpasteurized butter, 1924—increase in first grade over 1923—6.2 per cent.

Pasteurized butter, 1925—decrease in special and first grades as compared with 1924—10.3 per cent. Unpasteurized butter, 1925—decrease in first grade as compared with 1924—4.3 per cent.

(a) 2. Cheese, 1924—increase in special and first grades over 1923—6.75 per cent. Cheese, 1925—increase in special and first grades over 1924—1.15 per cent.

(b) Pasteurized butter.

	1923	1924	1925
Per cent, Special grade	21.2	8.6	2.0
Per cent, No. 1 grade	57.8	77.0	78.3
Per cent, No. 2 grade	18.7	13.4	19.0

Unpasteurized butter

	1923	1924	1925
Per cent, No. 1 grade	62.8	69.0	64.7
Per cent, No. 2 grade	34.2	29.2	33.1

Cheese

	1923	1924	1925
Per cent, Special grade	.97	.37	.3
Per cent, No. 1 grade	77.03	84.38	85.6
Per cent, No. 2 grade	19.78	14.23	13.1

2. No. of dairy produce graders:

Location	
Montreal, P.Q.	17
Quebec, P.Q.	1
Stratford, Ont.	1
Toronto, Ont.	1
Belleville, Ont.	1
Charlottetown, P.E.I.	1
Winnipeg, Man.	3
Total	25

3. Total cost of grading butter and cheese, 1925—$96,628.04.

4. Pasteurized butter

	No. of boxes graded
1923..	210,533
1924..	467,147
1925..	635,321

Unpasteurized butter

	No. of boxes graded
1923..	271,989
1924..	281,155
1925..	187,404

Cheese

	No. of boxes graded
1923..	1,458,129
1924..	1,584,359
1925..	1,895,112

5. Cost of grading 100 pounds of butter and cheese, 1925, 4.664 cents.

6. Yes.

7. The total cost of the grading service is borne by the government.

The policy of the department is to make all inspection and grading services self supporting as soon as well established throughout the Dominion and generally recognized as being of material benefit to the industry affected.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN PATENTS

Mr. SIMPSON:

1. How many Canadian patents were issued during the year 1925?

2. How many were issued to (a) Canadian citizens, (b) citizens of the United States; and (c) citizens of other countries?

3. How many patents were cancelled during 1925?

4. How many patents were cancelled during 1925 because the patentee failed to have the article so patented manufactured in Canada?

5. Has the government any system of investigation or check to ascertain if articles so patented are actually being manufactured in Canada to meet the reasonable Canadian demand?

NEWSPAPERS AND PERIODICALS

Mr. SIMPSON:

1. What was the cost of newspapers and periodicals subscribed for by each department of government during the year 1925, not including those for use in the general reading room of House of Commons or Senate?

2. What are the names of publications, the number of each subscribed for and the place of publication?

CANADIAN NATIONAL RAILWAY CARS

Mr. LADNER:

1. How much lumber was used in the construction of the Canadian National Railway cars during the years 1922 to 1925, inclusive ?

2. How much of the total lumber used was purchased outside of the Dominion of Canada?

3. How many million feet, board measure, of southern pine were used for such purpose during the years 1922 to 1925, inclusive?

4. What percentage of lumber used was of Canadian origin?

5. What percentage of douglas fir or other British Columbia woods was used in the manufacture of cars for the Canadian National Railways?

6. How many cars for the Canadian National Railways, during 1922 to 1925, inclusive, were manufactured in United States; (a) How many are under construction in the United States at the present time; (b) How many are on order in United States at the present time?

7. What are the values of: (a) The cars manufactured in the United States for the Canadian National Railways, if any, during the years 1922 to 1925, inclusive; (b) cars now under construction in the United States for the Canadian National Railways (c) cars now on order in United States for the Canadian National Railways?

8. Have any United States built cars been brought into Canada for use on the Canadian National Railways? If so, was duty paid upon them?

9. What is the value of cars constructed in Canada for the Canadian National Railways?

Hon. Mr. DUNNING: It will require two weeks to answer this question. Perhaps the hon. member will let it stand as an order for return.

POWER SHORTAGE IN ONTARIO

MOTION BY MR. CHURCH TO EXTEND HYDRO-ELECTRIC DEVELOPMENT

Mr. T. L. CHURCH (Toronto Northwest) moved:

That in the opinion of this House, the government of Ontario and the Hydro-Electric Power Commission of Ontario should be given leave forthwith to develop and generate power on the St. Lawrence river at what is known as the Morrisburg dam, and should also be given power to use an increased flow of water from the Niagara river and so relieve the acute shortage of power in Ontario, and that this House will support the government in taking such immediate action as herein proposed without further delays in accordance with the application of the Ontario government and Hydro-Electric Power Commission of Ontario filed in 1923, 1924 and 1925 with the government of Canada.

He said: Mr. Speaker, my motion is designed primarily to relieve the very acute shortage of power that now threatens the province of Ontario. Repeated efforts have been made by the provincial government under the Navigable Waters Act to secure fresh sources of power, but the application for a permit to develop power at Morrisburg although made in 1912, is still pending, it having been impossible to get the Dominion authorities to come to a decision. To-day Ontario depends absolutely on cheap light and power, and the total capital investment in the undertaking amounts to $241,000,000. The Privy Council has decided that, subject to rights of navigation, the surplus waters of our rivers and international streams, the beds

of the rivers, the banks and the rapids belong to the provinces but there has been nothing but delay by the Dominion government in dealing with the application of the government of Ontario to develop further power. The only available hydro sources are in the Niagara river, where a slight additional diversion of water may be possible by arrangement with the United States, the St. Lawrence river and the Ottawa river.

I raised this question last session on June 24, and in the course of a somewhat extended debate the then Minister of Railways, Mr. Graham, admitted that the application of the province had been on and off before the Public Works department since 1913. He said there was a difference of opinion between the engineers regarding the site for the Morrisburg dam, one opinion favouring a site below the rapids opposite Barnhart island and the other a site above, at Morrisburg. But the engineers agreed that the plans filed by the Hydro Electric Power Commission of Ontario were practical from the engineering standpoint, the financial standpoint and the power standpoint. Why is it that no action has been taken by the Dominion authorities to deal with this application? As I have said, the capital investment in the Hydro Electric development of the province of Ontario represents $241,000,000. This all belongs to the taxpayers of the province and is earning interest and sinking fund. By means of this development cheap light and power is available to the people and to industry. As a result of cheap light and power we find there has been a wonderful development in the Niagara district, various big industrial concerns pulp and paper and chemical and various other by-product industries having been attracted there by reason of those facilities. As a result of this system the cost of electric light is very low; the average household bill amounts to only about 86 cents. We should utilize the public resources of this country for the benefit of our own people. If any municipalities are suffering from the lack of cheap light and power, it is the eastern municipalities of Ontario. They did not see fit to co-operate with this movement in 1911, and have only recently decided to come into it at all, with the result that they are now getting the benefits which the rest of Ontario has had for years. The towns on the St. Lawrence found it very difficult to get industries because of this lack of cheap light and power. While not wishing to take up the question of politics, it was very fortunate for the province that when the Chippawa power development was under way the present government was not in office, because if they had been that work would not have been proceeded with. It was the Conservatives who sanctioned that work, under a very similar application to that which is now before the House.

We are told that this scheme cannot be undertaken because it will interfere with navigation. It does not interfere with navigation; it is all in the province of Ontario. The leases and proposed works are in the province of Ontario; the surplus waters, the bed, banks and rapids of the St. Lawrence river, subject to navigation, belong to the province of Ontario. The very able Premier of Quebec, Mr. Taschereau, has taken a strong stand on this question; he says that the bed of the St. Lawrence and the rapids and the banks of these international streams belong to the provinces, and there is a recent decision of the courts supporting that contention. He is big enough to protect the rights of Quebec, and we hope that this government will do something to protect the rights of the people in this magnificent territory. I am glad to see that this privilege is to be extended to the other provinces, because the principle should be applied to all provinces, not merely to one or two.

How does it come about that this present government is holding up the work? It is not a question of navigation; I raised the matter in the House on June 24 of last year, when the then Minister of Railways, Mr. Graham, was here. None knew better than he the conditions in the towns on the St. Lawrence, but he also raised the question of navigation. With what result?—to hold up this work. All the reports received, reports of engineers, reports of the Hydro Electric Power Commission and others, said that this dam would not interfere with navigation. The very engineers who constructed the Chippawa development, which cost $65,000,000 and which is now generating 600,000 horse-power, reported that this Morrisburg dam would not interfere with navigation. Then the Minister of Railways got out from under the proposition by saying that the question should be referred to the joint engineering board investigating the St. Lawrence waterway. That, however, is a separate proposition entirely. Cheap light and power for our province is more important than the waterway feature. The most important thing to the people of Ontario is to stop the exodus, get industries, create work and solve the unemployment question, and this is a

good way to do it. The former minister, at page 4820 of Hansard, 1925, stated that this application had been referred to the joint engineering board, but nothing has been done. The government has made a political football of this great question of additional power facilities for Ontario.

This is not a question of politics at all. It is very fortunate that politics were kept out of the hydro-electric movement by Sir Adam Beck in Ontario. I wish I could say the same for the Canadian National Railways, but that is not so. Sir Adam Beck showed how politics could be kept out of a great public project of this kind. The words I uttered last year were prophetic:

> I want to say to the farmers in and out of this House that the farmers gave to Sir Adam Beck—who may not be here with us much longer and whose illness we all regret—

Since I said that Sir Adam Beck has passed away. Canada is a country which always seems to get the right men in the wrong places, and when we do get the right man in the right place the Lord calls him to his own. The government of the day now here have the onus and responsibility for the failure to permit this work to proceed. The province should be allowed to go ahead with this development; the question of jurisdiction over surplus waters is entirely a provincial matter, separate altogether from the question of navigation. That was brought out very clearly in the debate of June 24 of last year, as well as in the debates which took place in 1924. It was shown then that every drop of water taken for this dam will flow back to the St. Lawrence river, thus improving rather than retarding navigation.

How is it that this same question is not raised in connection with the Chicago drainage canal? Under the Boundary Waterways treaty authorizing the Niagara river development, Canada is given 32,000 second feet, and the United States 20,000 second feet. But you have to deduct from Canada's allotment 14,000 second feet exported by Canada to the United States, with the result that the United States actually receives net 34,000 second feet, and Canada but 18,000 second feet. I will not refer again to the success of the hydro-electric movement in Ontario, but now the people of eastern Ontario are asking for direct current from the St. Lawrence, and the farmers are asking for it. The late Sir James Whitney did not intend cheap light and power only for the people of the cities and towns. He wanted to extend the privilege of cheap light and power to the farmers so that almost every appliance on the farm could be run by electricity instead of by manual labour as had been the case before, and in this way, with good roads and hydro radials, bring the joy of living to the farmers of Ontario. I cannot understand why this proposition has been held up. If the matter were one affecting navigation, it would be different, but the word "navigation" has been used as an excuse to hold this proposition up. The people of Ontario are watching this parliament and this government to see why this project, on which the most eminent hydro engineers have reported favourably, is being held up because of some technicality. The Navigable Waters' Protection Act is not compulsory; it says:

> The local authority, company or person proposing to construct any work in navigable waters, for which no sufficient sanction otherwise exists, may deposit the plans thereof and a description of the proposed site with the Minister of Public Works, and a duplicate of each in the office of the registrar of deeds for the district, county or province in which such work is proposed to be constructed, and may apply to the Governor in Council for approval thereof.
>
> Such local authority, company or person shall give one month's notice of the said deposit of plans and application by advertisement in the Canada Gazette, and in two newspapers published in or near the locality where such work is to be constructed;
>
> Any local authority, company or person may proceed in like manner to obtain the approval by the Governor in Council of the site and plans of any work constructed prior to the first day of March, 1899.

That does not apply to this proposition. It is purely a provincial work, wholly within the province, affecting property and rights within the province. The government of this country might just as well have stopped the Chippawa development on the same line of argument. I refer hon. members to the annual report of the Dominion Waterpower and Reclamation Service Branch showing the great necessity of this project to the people of Ontario and to the scarcity of power. In this report there is a section devoted to the utilization of water-power. On page 39 there is another article showing water-power manufacture and development. The article reads:

> Water-power and Manufacturing Development
>
> The great bulk of Canadian manufacturing takes place in the acute fuel area, Ontario and Quebec. As before pointed out the marked development achieved in manufacturing in recent years could not have taken place with the handicap of entire reliance on imported coal and this development in manufacturing bears striking evidence to the value of water-power to the country.
>
> Population and manufactures.—During the past decade, while the population of the Dominion increased 22 per cent, the use of water-power in industry increased 245 per cent and the capital invested in manufacturing 175 per cent.
>
> Dependence of industries on water-power.—Of the total output of central electric stations 97 per cent

is furnished by water-power. Of all the primary power in the Dominion, for all purposes except steam railroads, 70 per cent is furnished by water-power.

The Real National Value of Water-power

The value of water-power lies in its cheapness, not in a high selling value. For instance with wheat, lumber, pulp, etc., the higher the price the greater the "value of the product" and the greater the value to the country on account of the large export trade, but with water-power the lower the price the greater is the assistance to a low cost of production in all other lines of manufacture, for both home consumption and export, and therefore the greater the benefit to the country.

A reasonable estimate of the national value of water-power is that it is at least the cost of coal to produce the same amount of power if the water-power had not been developed.

This, as before shown, is $290,000,000 per annum, practically all of which would have to be sent abroad annually if we had no water-power; pro rata for 1930 it will be nearly $500,000,000.

The report at page 35 gives the water-powers of Canada developed and undeveloped. The table shows that Canada has available undeveloped water-powers aggregating 18,000,000 horse-power. It has developed only about one-sixth of that or 3,000,000 horse-power.

My leader (Mr. Meighen) who has been endeavouring to be a good friend of hydro-electric development criticized the administration last year for not going on with the plan. I will read two or three sentences of his remarks as reported in Hansard of June 24, 1925. He said:

Mr. Chairman, I would think that if the project ever works its way through this maze of machinery it will be past 1926, before it emerges at the other end.

According to the late Minister of Railways it would be April, 1926, before the report regarding international water-ways would be received. Why that report should affect this project, I do not know. This water would not interfere with navigation. All the water used in the dam will be returned to the river just as the water used in the hydro-electrice development at Niagara Falls is returned to the Niagara river. In the case of Chicago every foot of water they take from the Great Lakes never goes back to the Great Lakes, but goes on down through the sewage pipes into the Mississippi river. My honoured leader said on that occasion:

Mr. Chairman, I would think that if the project ever works its way through this maze of machinery it will be past 1926, before it emerges at the other end. We have first of all the International Joint Commission, which of course has the superintendence of the matter by treaty, and whose approval must be procured before any project can go through. Then, if I followed the intricacies of the organization, there is a joint engineering board, the duty of which, I presume, would be to advise as to method. Then there is another advisory committee, and so far as I got an idea of its functions it is to tell the engineering board what subjects they must investigate and report upon.

Mr. Graham: No.

Mr. Meighen: Well, what matters they must make subjects of reference to the engineering board.

Mr. Graham: The technical officers selected by both countries are members of the joint engineering board. Two were taken from each section to act together and make recommendations as to what should be referred.

There are ten or twelve different boards to whom this application must go although it is not a question of navigation. By what stretch of the imagination can this be regarded as a navigation work? It is a purely provincial undertaking the same as the Hydro-Electric development at Niagara, Chippawa and elsewhere. Now let me continue the quotation:

Mr. Meighen: That is what I said. That is number three. Then there is a national advisory committee, which the hon. member for Bow River (Mr. Garland) described as looking very much like a Liberal campaign committee; however, the names are certainly distinguished. Apparently it has met twice and approved what some other committee did.

The hon. member for Bow River described this committee as pretty much like a Liberal campaign committee. It consists of a lot of gentlemen with high-sounding names who do not know any more about a kilowatt hour than they do about betting on a horse race. I continue to quote:

This is number four. Then there is an interdepartmental committee gathered from all the departments under the chairmanship of Colonel Biggar, and this is number five. If the purpose was to keep the matter constantly between heaven and earth I think the proper devices have been adopted.

Mr. Bancroft: Would "between wind and water" not be a better expression there?

Mr. Meighen: I fancy that in the real prosecution of the enterprise there has been a lot more wind than water. I have no particular objection to any of the men who have been named on any of these committees, but really I would not have thought anything quite so complicated was necessary. Under the late government we had a board, one single committee, which had arrived at very definite conclusions as to the general lines of the venture, as to where the dam should be, the nature of its construction and so on, and had compiled data which seemed very amply to support its view. I refer to the Dominion power board. Nominally it sat under my chairmanship, although I never was there; actually it was under the chairmanship of Mr. Challies, who now is on this interdepartmental committee.

This is a question that the government has not attacked de novo at all. It has been under review departmentally for years. When the government came into office the Railway department had a most pronounced view on the subject. They had an engineer there by the name of Mr. Bowden, who is since deceased. Mr. Bowden was a member of the Dominion power board. He was most persevering in his own opinion. He never could be got to agree with the other members of the board; he had his plan which differed from the rest. Aside from that, however, there was no difference. Why we should have a committee of great political dignity and a galaxy of others, all filling the heavens at the same time, debating this matter year in and year out, I really do not know. I would not like to see any mistake made as to the development, but with the plans which the Dominion power board had worked out the Hydro Electric Commission of Ontario were

in accord, and the Hydro Electric Commission of Ontario, from the practical standpoint, with the experience they have behind them, would appear to me to be the body best entitled to speak as to how the whole thing should be managed. Of course I am aware that the responsibility of the Dominion is primarily from the standpoint of navigation. The navigation feature of this enterprise is a big feature, but I do not think I could ever be persuaded that it is the major feature. The major feature is the power development, however we may cover it up under the lee of better navigation and so forth. Great advantage will come from better navigation of the St. Lawrence in the territory affected by the development, but it is comparatively meagre when compared with the commercial harvest that is expected to be reaped from the great potential power. I feel that the utmost consideration should be given to the views of the Hydro Electric Commission in this matter. They have undoubtedly made a success of the pioneering in power enterprises in this province. What they have done is to-day the outstanding example to the whole world of what can be achieved in the matter of great power development. I would be very sorry to see, in the first place, any plan adopted which is not in full harmony with the experience and matured opinions of that body, but I would be equally disappointed to find that by the interposition of a hopeless complex or endless devolution of machinery the aspirations of the people of Ontario for power from this enterprise are indefinitely postponed.

This question has been indefinitely postponed. It was taken up in 1922, 1923, 1924, 1925 and now we have reached the year 1926. I suppose we shall reach 1927 or 1928 before there is any report from the gentlemen who have been appointed to settle this question.

I cannot speak too strongly of the power shortage in the province of Ontario. So acute is this shortage that the city of Toronto, through the Hydro Electric Power Commission, will be forced in a very few months to spend $10,000,000 in the installation of a steam plant to generate from 75,000 to 100,000 horse power, to take care of the peak load and extra power requirements of that city alone. If the proposed dam were going to cost ten million to fifteen million dollars, as some of the harbour improvements schemes of Canada have done, it might be a different thing. But this proposition is surely an Ontario government scheme to be carried out under the Hydro Electric Power Commission, and it is not going to cost the people of Canada one cent. Speaking on this phase of the question in 1925, I said, as reported by Hansard:

> Let me emphasize that no citizen of Ontario has been taxed for this great undertaking. They pay no direct tax for this great public boon. You have never seen a cent on your tax bill for this development. The money for capital interest and sinking fund is paid by the direct consumers of power. In Toronto alone it has saved the people during the past twelve or fourteen years $31,000,000. If this movement had been under private ownership that $31,000,000 would have gone in dividends to shareholders. There are no dividends in the hydro-electric movement. Power is supplied at cost to the people, and this great boon of cheap electric light and power,
>
> [Mr. Church.]

which was brought about under the policy of the late Sir James Whitney and Sir Adam Beck, with the co-operation of the municipalities of the province, has been a revelation; it is without a peer in the world to-day. With the exception of the provincial grants towards the construction of rural distribution systems —and such grants, like those for good roads, agricultural schools, etc., are made in order to promote agriculture—every portion of the cost is fully met in the bills paid by the consumers of the electrical energy, and by them alone. Those who receive the service are the only ones who pay for it, and such payment is made in conformity with a system of charging that permits an annual adjustment with consumers on the basis of power at cost. Electrical energy, once a luxury, has, in Ontario, been so reduced in cost that it has become a common commodity for the service of all. It is the power of the people made usable for the people by the people.

The most important problem before the people of Canada to-day is the problem of cheap light and power. This great boon is not intended solely for the benefit of the urban centres, but for the benefit also of the rural districts. The province of Ontario has shown the other provinces what can be done for the benefit of the people by the development of water-powers. Starting in 1910 with the distribution of 1,000 horse-power supplied to a few municipalities, by 1915 the movement had increased to such an extent that 100,000 horse-power was required to meet the demands of the many municipalities that were taking advantage of cheap light and power. Five years later the Hydro Electric Power Commission was generating 350,00 horse-power, and to-day it is maintaining a connected load of 760,000 horse-power.

The commission arranged for an additional power supply from the Canadian Niagara Power Company of 50,000 horse-power and from the Toronto Power Company of over 25,000 horse-power. Subsequently, in August, 1917, it purchased outright the Ontario Power Company with its plant capacity of 160,000 horse-power, which was increased to 180,000 horse-power in 1919, and, in December, 1920, acquired the Toronto Power Company, with its plant of over 125,000 horse-power capacity. In 1920 the load was 356,000 horse-power. The new Queenston-Chippawa development provides for an ultimate development of 600,000 horse-power. There is possible to-day a development of 700,000 horse-power under the plans of the Hydro Electric Commission. At the present time the commission is operating twenty separate developments which have a potentiality of over a million horse-power.

The people of the province of Ontario are watching what is taking place. They are watching the federal government and the provincial government to see what the outcome of their policy is going to be in connection with the development of hydro-electric power. They want to see who it is that has been retarding the development of power not only in eastern Ontario but in the western part of the province as well. Nothing is more calculated to carry out that most desired movement to keep the farmer on the farm than the provision of cheap light, heat and power. In many parts of the province of Ontario the farmer is to-day getting these conveniences owing to the policy which was inaugurated by the late Sir James P. Whitney. This policy is being carried out in the face of considerable opposition. I do not know anybody who did more to retard the growth of this movement in the province of Ontario than did the Hon. E. C. Drury during the four years of his administration, and in this he was aided and abetted by the commission appointed to inquire into the work of the Hydro Electric Commission and in effect to destroy the whole movement. The people got rid of this anti-hydro government.

In conclusion may I state that I move this resolution with the object of getting something done. It is all very fine to have seven or eight bodies of men drawing their salaries, because that is about all they ever do. They never provide any power supply so far as I can find out, and never do anything practical. The only commission that has accomplished anything worth while in Ontario is the Hydro Electric Power Commission, they have $240,000,000 invested, every dollar of which is earning money and they are paying their fixed charges and interest on the sinking fund.

Premier Ferguson of the province of Ontario made an address in Toronto recently, on the power shortage and the Toronto Globe gives the following report of his remarks:

In a graphic illustration of the savings effected by the network of provincial hydro lines, he said that last year the hydro distributed 781,000 horsepower, which equalled the energy of 7,800,000 tons of coal. Calculating coal at $5.50 per ton, Ontario had kept in the province $43,000,000 that otherwise would have gone across the border, and made a net saving in fuel expenditure of $23,000,000 last year. Ontario occupied her supreme position as an industrial province by reason of its progress in hydro development.

"The future of Ontario," Mr. Ferguson said, "is wrapped up in this hydro-electric enterprise as in no other phase of our provincial life. . . . We have reached a position in our hydro development where we have got to give some serious thought to the future. The situation is rather a critical one. We have exhausted the water available at Niagara. We have exhausted many of our internal waterfalls and power developments, and we find we are going to have a shortage of power supply. Away down in the east, tumbling to the sea unused, is tremendous unharnessed energy on the St. Lawrence. The province of Ontario has insisted, and is still insisting, upon our right to secure the advantage that will come from development on the St. Lawrence. And I promise you this: that if you will forgive me many other things and keep me in power a while I think we will secure the right to that development."

The people of Ontario want action to relieve the power shortage, not politics. It has been fortunate that politics have been kept out of the hydro administration. The Toronto Globe in a series of editorials urges the government to carry out the Morrisburg undertaking. An editorial in the Globe of December 14, 1925, reads as follows:

The right way to deal with the situation is the Beck way—the way that has been tried, and tested, and proved. Let Ontario continue to develop her own water-power, on the St. Lawrence river as elsewhere, wholly for the benefit of the public.

But if the Beck Morrisburg plan is to be followed successfully it is high time that Premier Ferguson and Mr. Magrath bestir themselves as well.

I agree that it is high time that they did something.

The threatened general shortage of power—and particularly the situation in Ontario—cannot be solved except by prompt resolute, effective action.

That is what my right hon. leader stated last June when the present government was making a football of this question. The Globe says:

The course seems clear. The greatest undeveloped water powers of Ontario flow by her shores in the St. Lawrence river. The courts have decided that the provinces control the situation. Why does not the government of Ontario at once notify Ottawa of its intention to proceed to develop power at the banks of the St. Lawrence and call upon the federal government to give consent as a matter of form?

The government of the province have gone ahead with the undertaking. The Navigable Waters Protection Act requires that before any work is undertaken plans and profiles be filed with the department. But in this case the government owns the banks, the rapids and the bed of the river to the centre of the river and they have the power to go ahead. The St. Catharines Standard, it will be remembered, was published up to the time of his death by Mr. W. B. Burgoyne, a prominent public-spirited citizen of that town. Recently the Standard printed the following editorial on the subject of power shortage:

4 p.m.

Action Required

The Toronto Globe this morning, calling attention to the inevitable shortage of power in Ontario, sounds a clarion call for action on the part of the Ontario government at once. In effect, our Toronto contemporary says that, the courts having decided that the provinces control the situation as to water-powers, Premier Ferguson and Chairman Magrath of the Hydro Commission should notify the Dominion government that Ontario proposes to proceed with the development of the St. Lawrence. The advice is sensible and the project is urgent.

The Standard last week scouted the idea that this province should contract with Sir Herbert Holt's interests in Quebec for a supply of power to Ontario. It had been reported in an interview that the Montreal interests were prepared to provide Ontario with 200,000 horse-power from Cedar Rapids, presumably on a long-term contract, which would most surely hold back any development scheme of the St. Lawrence which has been proposed in this province. Premier Taschereau of Quebec, by an announcement following the interview, at once quashed the suggestion that Ontario should buy power from Quebec private interests when he declared that that province had no notion of abolishing the 50-cent horse-power tax on power exported from that province. With the sources of power at our own door, Ontario public sentiment would never endorse paying tribute to Quebec for power required.

The Globe takes exactly the same position as this paper. The Beck plan is best; let it be adopted and carried out. This province can hardly trust to the altruism of Sir Herbert Holt in such an important matter, nor can this province, with its great Hydro system, afford to show hesitation about further development required for power, by contracting with private interests for an increased supply of electric energy. All these suggestions as to securing more power come from enthusiasts who never lined up with Sir Adam Beck, but were always opposed. That in itself is sufficient to cause suspicion as to the merits of the pro-

posed purchase from Sir Herbert Holt. The people of Ontario will watch with the closest interest the future action of the Ontario government in this most important matter. Valuable time is being wasted in preventing the threatened shortage of power, and yet the government has every legal right to go ahead. It it time for action.

Then a meeting composed of representatives of 278 hydro municipalities of the province passed a resolution calling the attention of both governments to this matter. The mayors, reeves and clerks of the different municipalities concurred in the resolution passed by the rural municipalities on the power shortage. I do not see the United Farmers of Canada represented in this House to any great extent. The number in this chamber have been reduced to two or three. In the last House they did not take much interest in this programme and are not likely to now. We have in the Old Country an example of what can be done in the development of electrical power. According to a press despatch which I have here I see that Premier Stanley Baldwin intends to have a national policy and to electrify the whole of Great Britain. I quote the heading of this article:

Electrical Britain now is Objective of Premier Baldwin.

Outlines Planned whereby special Control Board will be established.

The following paragraph is of interest:

The necessity of providing electrical energy in greater quantities and at a cheaper rate has been the preoccupation of every government and party since the war. The existing energy is provided in part by the municipalities and partly by private enterprise, which has resulted in the employment of differing systems and voltages and widely divergent prices for current.

So far as Canada is concerned I think the time has come for definite action in this regard. This question should no longer be made a political football, and notwithstanding any law, usage, custom or statute that may be cited to the contrary, there is no reason why the Ferguson government should not be allowed to go ahead and develop their own property for the benefit of the people of Ontario. Not by the wildest stretch of the imagination can it be argued for a moment that the use for electrical purposes of water at the Morrisburg dam can interfere with navigation. The people of the United States are waking up to the importance of electrical development and at the present time the state of New York is considering a proposition to generate power. Nor are they waiting for the federal government to take the initiative. Private concerns in the state of New York are anxious to develop power there, but the legislature has taken a firm stand that it will preserve the waters of the state for the use of the municipalities and of the people generally. They are following the example of Ontario in this regard and are developing their water power for the benefit of industry. They are of the opinion that such development can have no injurious effect on navigation, and there is no reason in the world why the development of power on the Morrisburg dam should interfere with navigation on this side.

Shortly before his death, Sir Adam Beck, who had a great admiration for my leader (Mr. Meighen), expressed his appreciation of the attitude which that right hon. gentleman had taken on June 24 last in support of this Morrisburg proposition. If the Minister of Railways (Mr. Dunning) were familiar enough with the hydro-electric situation in Ontario I am sure that he would see the force of the argument I am making to-day. The trouble is that there are too many boards and commissions looking into this power matter. The Conservative party when in power had one board, but to-day there are so many commissions that they are crowding out one another. I may say there are so many boards and officials they are like Virgil's army, so crowded that they had not room to use their spears. It is pretty much the same in this regard, with the multitudinous boards investigating the matter. I do not know what they are doing apart from drawing their salaries.

I was not aware that this matter would come up to-day. I should have liked the Minister of Railways to have a little more time to look into it fully, for I realize that having been at the head of his department for so short a time he cannot possibly be posted on the whole subject. I know that he has been in the province of Ontario where he has seen the benefits that are enjoyed by the people from a system of cheap power and light. Let me assure him that there is no politics whatever in this hydro-electric movement; nor has there been any political interference with the administration of the hydro-electric of Ontario since its inception. That explains its gigantic success. A terminal warehouse in which there will be, when completed, an investment of some $8,000,000 is about to begin operations on the harbour front of Toronto and it will depend entirely upon electrical power. Where that power will come from I do not know, because by the end of this year there will be no supply left. As the premier of the province has said, the only place to which they can look for water-power is the St. Lawrence, where millions

of tons of white coal are annually going to waste. Is Ontario simply to mark time? Is that province to stand still while the states of Michigan, Indiana, Ohio and New York forging rapidly ahead with cheap power? The system of hydro radials in the province was throttled by the late Drury government, who would have done the same thing with the hydro-electric if the people had not got rid of them. It was a blessing to the province the day it turned out of power that farmer government in Ontario. That administration appointed commission after commission to investigate the hydro and they were appointed solely to act as the hangman and the undertaker of the whole hydro projet and their efforts only tended to jeopardize and destroy the $241,000,000 which the people had invested in the enterprise. I trust that the Minister of Railways will look into the whole subject between now and the time the estimates are under consideration, and that the government will withdraw its opposition to the issuing of a permit authorizing the government of Ontario to go ahead with the proposed development. I am sure that the provincial government would give a guarantee that no development that might take place at Morrisburg would interfere with navigation. All the water used there would return to the river, so that navigation could not possibly be impaired but would be much improved.

Some of the most eminent engineers on the American continent, Messrs Acres and Gaby, both Canadians, made a complete success of the Chippawa power enterprise, which was ten times as difficult as the Morrisburg undertaking, and if the government of Canada did not raise any objections to that development on the navigation score I do not see why they should put obstacles in the way of development on the Morrisburg dam. For the reasons I have stated I move, seconded by the hon. member for South York (Mr. Maclean), that the resolution be adopted.

Mr. W. F. MACLEAN (South York): I desire to comment briefly on the motion which my hon. friend (Mr. Church) has moved with regard to wider development of water-power on the St. Lawrence. I think I may claim to know a good deal about public ownership and the benefits that have accrued therefrom, not only in this country but in other parts of the world, and I venture to say that nowhere has there been so outstanding a success in public ownership as is to be seen in the hydro-electrical development in the province of Ontario. Sir Adam Beck was called in his lifetime the apostle of the public ownership of hydro-electric development in Ontario, and within a few weeks of his death he was canonized: he has now attained to sainthood in the realm of public ownership. Associated with him in that work was Sir James Whitney, then Premier of Ontario, who gave him every encouragement. When Sir Adam went to Sir James for the money, the latter said, "All right, Adam. How much do you want?" The amount having been named, Sir James added, "The money is yours; go ahead." Now Sir Adam has performed his work, and it is the greatest example we have of public ownership undertaken as such at the start. Not only is public ownership in regard to the development of electric energy an unqualified success in Ontario, but it has set the pace for other electric power companies in Canada, and they are all trying to distribute power at as cheap rates as are enjoyed by the people of Ontario. It ought to be an encouragement to my friend the Minister of Railways (Mr. Dunning) that in making a great success of the National railways, as I am sure he will try to do, he will have the satisfaction of making transportation cheaper in Canada than it is in any other country.

While some reasons may be advanced for the delay that has taken place in dealing with the application of the province of Ontario to develop power at Morrisburg, I do not think they are at all convincing, and I am going to tell the Prime Minister and the Minister of Railways that something is being done now which will compel them to take action in this matter. Within the past few weeks announcements have appeared in the press of a great navigation proposition in connection with the Georgian bay ship canal, and the government are being urged to approve the plans of the scheme, which also includes power development. Therefore I say the government have got to take these two proposals together, and they ought to announce forthwith, even if there is a navigation reason with respect to delaying the St. Lawrence development—which I do not altogether accept—that they will issue the two orders at once; for they cannot grant the Georgian bay ship canal application without granting the application of the province of Ontario for the Morrisburg development. I do not know of any sufficient reason for further delay in connection with the latter scheme, for if there are great water-powers adjacent to Ontario at Morrisburg, there are still greater water-powers on the Ottawa river here, and these will go with the Georgian bay ship canal project. The leading promoter of the Georgian bay ship canal

is a constituent of mine, Sir Clifford Sifton. Of course, I only know what I have read in the newspapers, but according to the press announcements he and his associates are urging the government to approve their plans. I believe the government are going to grant approval, and if they do they will have to grant the application of the government of Ontario for its St. Lawrence development. We want the power that can be generated there. I am sure the erection of the necessary works would not interfere with navigation. Therefore, a settlement ought to be effected immediately by negotiating with the United States, as undoubtedly there is urgent need for more power in Ontario, and our nearest source of further supply is at Morrisburg. What we want in this country is more industries. Indeed, I would say that we do not want the tariff so much as we want industries, and the way to get them is to give them cheap power. At present there is a power shortage in Ontario, but with the development on the St. Lawrence and near Ottawa there will be enough power to drive all our factories and light all our houses, with perhaps a surplus that can be delivered elsewhere. What I am putting up to the government is their duty, in view of the urgency, to make early provision to overcome this shortage of power.

My hon. friend who preceded me (Mr. Church) spoke about what Mr. Stanley Baldwin is doing in Great Britain. He has introduced legislation to develop power from steam plants at pit head. This is to be a national undertaking, but the electrical energy is to be distributed through private companies. Well, he may start with public control of those distribution companies, but I am satisfied that eventually he will have to resort to public ownership. I think that before long we in Canada may have to generate power from steam plants at our collieries. In fact, they are already doing this in the United States. I want to tell my friends from Nova Scotia that the other day I put a proposal to them that I think they ought to take up. The province of Nova Scotia has enormous quantities of coal and ranks second to Alberta in this respect. Now, the provincial authorities of Nova Scotia ought to begin right away to generate electric energy near their coal mines and distribute it. At present long distance transmission is not feasible beyond about 600 miles, but science is devoting attention to this phase and in a short time I am convinced that you will be able to convert your coal into electric energy and send it a thousand miles. That is another development of science that will be available before long, and if we do not take advantage of these discoveries we will be blocking progress.

To-day Ontario is suffering from a scarcity of power, and if she has to generate electricity from coal I do not know how she will be able to stand the coal bill. We cannot bring our coal from Alberta, although great quantities are available there. The people of Alberta, too, may have to find a market for their coal by turning it into electricity and distributing it.

Mr. CANTLEY: Is my hon. friend aware that electrical power has been developed for years in the way he suggests at two points in Nova Scotia?

Mr. MACLEAN (York): The Premier of Nova Scotia told me the other day that he was prepared to take up the question of developing electrical energy from coal. Already the Americans are utilizing some of their coal in this way, and the great competitor of Canadian hydro-electric energy may come from the United States, because electricity generated from low priced coal is almost as cheap as hydro-electric power. That is another reason why the government should act in this matter.

THE ROYAL ASSENT

SUSPENSION OF SITTING

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour, the Deputy of His Excellency the Governor General, desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the House went up to the Senate,

And having returned,

Mr. SPEAKER informed the House that the Deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bill:

An Act for granting to His Majesty a certain sum of money for the public service of the financial year ending the 31st March, 1927.

POWER SHORTAGE IN ONTARIO

The House resumed consideration of the proposed motion of Mr. Church with respect to power shortage and the extension of hydro-electric development in Ontario.

Mr. MACLEAN (York): I rather regret, Mr. Speaker, that while I had a light house when I began, it is still lighter now. I hope the House will fill up, because this is the

most important issue in Canada to-day. The question of waterways is of supreme importance both here and in the United States, and all the world is watching to see what will happen. I hope the government are watching as well, and that they will do their part in the Morrisburg development.

Let me tell you why we want the Morrisburg project developed right away. When it is completed it will give a thirty foot channel to lake Ontario, and make the good city of Toronto an ocean port. When Toronto becomes an ocean port our friends in Montreal will have to look out. Not only will Toronto become an ocean port but Buffalo, Cleveland, Detroit and other lake cities will follow. When the Georgian bay canal is finished, ports on lake Huron and the Georgian bay will also become ocean ports. The late John Haggart, when Minister of Railways, told me in this House that it would not be long before the engineers dealing with navigation found a way to canalize the western plains through to the Rocky mountains. That is all in connection with this question; it may be a pipe dream, but the development of the St. Lawrence waterway is coming fast. That development, however, may be put in the background by the Georgian bay ship canal, because the plans provide for a channel at least 25 feet in depth, and for the development of over 800,000 horse-power. Other than the development at Niagara Falls, that will be the greatest horse-power development in the world, according to recent statements which have not been contradicted.

I should like the minister or the Prime Minister to tell the House now whether it is his intention to approve the plans of the Georgian bay ship canal and not to approve the Morrisburg dam and the development of power at Morrisburg for the benefit of the people of the whole of Ontario. We want not only the Morrisburg development, but the development further up the Ottawa river where 800,000 horse-power are available. This is one of the prime questions in this country and the government must deal with it. They may say that they are proceeding as fast as their predecessors did in the matter; but that is not enough. The world is moving faster now, and nothing proves that so much as the development of public opinion in the United States in favour of the improvement of the St. Lawrence waterways so as to allow ocean steamers to go right up to lake Superior. That being the case, I am trying to support as well as I can the position taken by the hon. member for Toronto Northwest (Mr. Church) who has had this matter up before. The people of Toronto, the whole legislature of Ontario, are behind it, and every other province in the Dominion ought to be behind Ontario because, as I said before on the Address, Ontario is leading the world in connection with the production of electrical energy at cost and with the element of profiteering eliminated. The sin of the war was not so much the war itself as the profiteering that was done during it. Up to the present, every public service has been associated with profiteering, but we in Ontario have set the example of taking profiteering out of the development of electrical energy and we have succeeded in doing so. We have set an example to the people of England, to the people of the United States who are now going into this new idea of public ownership. It was once said that it was to the disgrace of the people of Ontario that they favoured public ownership, but it is the great principle of the world to-day and Ontario is showing mankind how to develop and carry on public services without profiteering.

The farmers of Ontario have been given electric light, but they want more. They want power; they want heat, and minor heating for small rooms at certain seasons of the year can be got out of electrical development. We have large stores of power. We have the power at Morrisburg; we have 800,000 horse-power on the Ottawa river, and I am going to insist in this House that when the Georgian bay canal is developed with all this horse-power, the people of Canada shall have the first call and it shall not be exported. I will also insist that Ontario, as a border province associated with Quebec, will get her full share of that power.

I wanted the Georgian bay canal to be carried out as a public ownership proposition, but I understand those who owned it sold it to certain people who are going to develop it. I will tell whoever undertakes the development of electrical horse-power on the Ottawa river that it must not be exported, but must be used in this country divided between Ontario and Quebec. The Minister of the Interior (Mr. Stewart) who is to answer on this question, is the best informed man in this House on the condition of the negotiations now going on between the government of the United States and the government of Canada regarding the St. Lawrence waterways. I had hoped to see him file papers on this question, but they have not come down yet, and I shall wait with interest his announcement in regard to the waterway development and the power that will come from it. I do

not know where the Prime Minister is; he is probably engaged somewhere else just at present, but I hope we shall get a declaration to-day from the government on this supreme issue which concerns the development of the St. Lawrence waterways, associated with which is the development of hydro-electric energy in connection with those waterways both on the St. Lawrence river at the front and on the Ottawa river north of here. What goes to the Georgian bay canal in the way of development will also go to the development at Morrisburg for power at the waterfront there. The two things cannot be separated; they ought to go together.

Before this session is over I intend to expand my argument along the lines I have indicated in the House to-day. It is with great pleasure that I rise to support the resolution of the hon. member for Toronto Northwest in connection with the Morrisburg development, and I hope we shall get not only the dam put there for the development of power, but associated with it the construction of the St. Lawrence canal so that steamers of at least twenty-five foot draught can go into lake Ontario. By that time or very soon after we shall have the Welland canal deepened to thirty feet so that we shall have inland seaports, power at cost, and we shall have taken the profiteering out of the development of power. As I said before Ontario has led the world in connection with this great principle, and the two names associated with it are Sir Adam Beck and Sir James Whitney who had the courage to show all the world how profiteering could be taken out of great public services, and how great public services could be given not to one or many, but to all the people of this continent because it applies to the whole continent. It is the greatest example of political advancement in the history of the world and I hope we shall get a satisfactory answer from the Minister of the Interior when he makes his reply.

Hon. CHARLES STEWART (Minister of the Interior): Mr. Speaker, I am replying on behalf of the government simply because I have been associated with the Right Hon. Mr. Graham who was delegated by the government to conduct negotiations in connection with the solution of the waterways' problem on the St. Lawrence reaches. Power development is a matter which the government have delegated to the Department of the Interior and with that I am very familiar. It will be sufficient for me to say that I agree with everything that has been said with respect to hydro-electric development in Ontario. What both hon. gentlemen have said about it is undoubtedly true, and there is certainly a demand for increased development, particularly in the eastern part of Ontario. I have discussed this matter very frequently with the engineers, not with Mr. Gaby, but with Mr. Acres, whom I know very well and later with Mr. Magrath, and I have had a good deal of correspondence with Premier Ferguson with respect to it. I have made no move at any moment without the full knowledge of the Ontario government and the hydro-electric officials. That is the only way in which a real understanding of the matter and real progress can be made. It is correct that an application has been made on behalf of the Hydro-Electric Commission. May I say that there is no dispute so far as this government is concerned with respect to the ownership of the water-powers, or no dispute as to the ownership of the bed of the streams out to the point where the international boundary intervenes. So far as I know this government have never raised any question as to ownership. Nor does this government raise any question as to the right of Ontario to develop that particular power or any power along that reach. The situation in that respect is identical with the situation at Niagara which the hon. member for Toronto Northwest (Mr Church) has mentioned. The only difficulty, then, is a difference of opinion between the engineers who prepared the plans for the Morrisburg development as to whether there should be one or two developments on the international reach there. So far as I am aware that is the only difference that exists Mr. Bowden, who recently died, took very strong ground in that particular. He was very thoroughly convinced as to the correctness of his position, and we must all admit that the late Mr. Bowden was an engineer of national repute whose views carried considerable weight. In saying that I do not wish to express any criticism of the engineers who planned the great hydro development at Niagara and carried it to so successful a conclusion. I think any decision at which those engineers may arrive merits attention. Nevertheless that is the situation in which the federal government found themselves, and they took immediate steps to create a board that would settle the question definitely and finally. That board is now at work.

My hon. friend (Mr. Church) is complaining about the multiplicity of boards here in Ottawa. They have little or nothing to do with the real settlement of the question That will be done by a board of engineers three appointed by this government and three

by the government of the United States, who will come to a definite conclusion on the matter, and we have the promise that their report will be in the hands of the two governments by June at the latest. I may say on behalf of this government that the moment that report is received there will be no hesitancy in dealing at once with the application of the Ontario Hydro-Electric Commission.

Mr. EULER: Between which parties of engineers does the difference of opinion exist?

Mr. STEWART (Edmonton): It is with respect to whether there should be one development on the international reach or two.

Mr. EULER: Yes, but between which two parties of engineers?

Mr. STEWART (Edmonton): Between the engineers of the federal government and those of the Hydro-Electric Commission. Not being an expert I do not wish to place myself on record on the subject, but I honestly think that to make two developments will be the proper course to pursue. However, the engineers to whom this task has been entrusted will bring in a report and that will decide the matter. Personally I am rather in favour of the smaller development at the start which would meet the necessities of the case at once.

Mr. MACLEAN (York): Will there be a joint report from the two commissions, or will each commission make its own report?

Mr. STEWART (Edmonton): It will be a joint report for both governments. When I was in Washington recently Mr. Jadwin, who heads the American engineering body, assured me that the report would not be later than at least the middle of June.

Mr. BRISTOL: Are these engineers investigating the further effect of the building of a canal, or are they just going into the power question?

Mr. STEWART (Edmonton): No, they will deal with navigation and power.

Mr. BRISTOL: The whole question?

Mr. STEWART (Edmonton): The whole question on that reach, and I hope their report will definitely settle this question. The moment that report has been received this government will be prepared to take action. My hon. friends will understand, of course, that this development is on the international reach. It has been pointed out that the state of New York is exceedingly anxious for power development. That is true.

Mr. ROSS (Kingston): Has the government also appointed an inner committee of engineers to scrutinize this report when it comes in?

Mr. STEWART (Edmonton): Yes. There are engineers or technical men on that committee representative of four or five departments of the government. The report will simply be scrutinized by that body and that will not involve any delay. The important thing to my mind as a layman is to settle once and for all a definite policy, agreed to by both governments, for the development of this reach. Then we go on without let or hindrance. If that can be accomplished by June or the first of July I think every hon. member will agree that any delay that has occurred has been useful. With all due respect to what my hon. friend (Mr. Church) has said, the question at issue has never been definitely settled. The hope is entertained that the report of the engineers now engaged on the work will settle the issue, and from that point on progress will not be retarded. I want to make it very clear that this government are just as anxious as the government of Ontario, or any individual, that there should be no unreasonable delay. We are anxious that when the work is undertaken all features of the whole programme shall dovetail into each other, and that no mistakes shall be made by the starting of works which, while they may not be detrimental, will interfere with the scheme in its entirety.

Mr. MACLEAN (York): What recourse would the government have if the report of the joint board should be against both countries?

Mr. STEWART (Edmonton): I hardly follow my hon. friend's question.

Mr. MACLEAN (York): The joint board could make a report that would hold up the whole development of that portion of the St. Lawrence.

Mr. STEWART (Edmonton): One should not be drawn into strong language with respect to matters of this kind, but Canada has certain rights and will not fail to exercise them. I cannot conceive that the board would bring in a report of that kind. After all, with the information now before both countries it is largely to my mind a question whether there should be two developments or one.

Mr. MACLEAN (York): And neither objects to the other's development.

Mr. STEWART (Edmonton): Oh, no.

Mr. BRISTOL: Is this report going to cover the canalization of the whole of the St. Lawrence or merely this particular portion?

Mr. STEWART (Edmonton): I think it will apply to all, but I am not sure. I should not like to speak with authority without having the order in council before me, but I think I am safe in saying yes.

Mr. BRISTOL: This is very interesting when one sees what is going on in the United States. There is, for example, the idea of a canal through the state of New York. Would that canal, like the Chicago drainage canal, take our water from the Great Lakes?

Mr. STEWART (Edmonton): They have taken the water so far apparently without let or hindrance, but perhaps there would be some difficulty about taking more. That of course is a matter quite apart from what the committee are doing. They are working on the St. Lawrence having in mind what is necessary to make the river navigable to a depth of 25 or 30 feet, what canals there should be, where they should be constructed, what power development can be secured on both sides of the boundary, and the best method by which to proceed. That is what the report will contain. I wish again to emphasize the fact that we are in entire agreement with the Ontario government. There is no dispute about their ownership of the power or the land to the international boundary. If they want to develop there would be no holdup, so far as the federal government is concerned. I should like to see the hydro development on the Ottawa river; it seems to me there is a great opportunity for such development there. However, they have set their hearts on the development of the St. Lawrence, and it is the business of this government to do everything they can to facilitate that development.

Mr. ROGERS: This does not apply to the Georgian bay?

Mr. STEWART (Edmonton): No; and I confess frankly I have very little knowledge of the Georgian bay.

Mr. A. E. ROSS (Kingston City): It is almost impossible to understand the position or attitude of the government in regard to this matter. For some years there has been an International Joint Commission; but at this time I think their opinion of the situation is almost entirely ignored, because the government has now appointed representatives on a second commission which consists of officers from the United States service and prominent engineers in the Dominion of Canada. The course of this government has been somewhat different from that of the United States, in that the United States appointed their permanent engineers, who would be close to the government, to give an opinion on the subject. Our government appointed three permanent engineers, whose reputation I do not think anyone in this House will dispute; but my understanding of the situation is that they have also appointed an inner body of engineers who will advise them. Why these permanent officials should not have been made part of the commission from the beginning I cannot understand; we would then have had one report upon which the government could act.

Mr. STEWART (Edmonton): May I make an explanation? The advisory board to which the hon. member refers, consisting purely of technical officers, legal and otherwise, in the department, was created to make a study of the whole matter and to advise as to what questions should be submitted for the consideration of the joint engineering board, that is all. They do not in any sense interfere with the work of the board; they were appointed rather to make sure that a thorough investigation of the matter should be made.

Mr. ROSS (Kingston): The minister has not denied that this same body will review the report when it comes back, and no doubt advise as to what they would do. In other words, if the government had deliberately attempted to tie up the question for eternity and complicate it so that no action could be taken, I do not think they could have done it more effectively. Their course has been one of inactivity all through the whole water question. There is nothing more important in connection with this whole scheme than the Chicago steal, yet the minister informed this House that he did not know of a commission or body meeting in Detroit, because he said they were composed of representatives of certain large interests concerned in this matter. Well, if the interests of shipping are not the interests of the government, what interests have the government in the country's affairs? Now, representatives of that body went to Washington. The minister knew nothing about it and has not been in touch with them in any way in regard to it. We already had a commission which could have dealt with it but the government have tied to that commission two additional bodies, one of them to

advise the other what questions should be submitted, or whether or not this matter would be of interest to them.

To come back to the question before the House, there is no necessity for discussion as to the subject of the resolution. The resolution says:

That this House will support the government in taking such immediate action as herein proposed without further delays in accordance with the application of the Ontario government, and Hydro-Electric Power Commission of Ontario file in 1923, 1924 and 1925 with the government of Canada.

So far as eastern Ontario is concerned, we will be in a worse position if a report is presented stating that canalization of the St. Lawrence is necessary. My hon. friend from South York (Mr. Maclean) injected this phase of the subject into the debate, apparently unaware of the fact that if the power development on the St. Lawrence should have to depend on the canalization of the St. Lawrence, then no part of Ontario would have any power development for another thirty or thirty-five years.

Mr. STEWART (Edmonton): I hope I did not get into the same quagmire as my hon. friend. I wish it distinctly understood that such a proposition is not in the mind of this government. After the report is made Ontario can go ahead and develop the power.

Mr. ROSS (Kingston): If canalization is what they suggest, the result will be that the power development will not proceed; they will go ahead with the canalization and it will be thirty-five years before the development of hydro-electric power will be available in the St. Lawrence. The province of Ontario make a simple request to this government; and I contend that the plain question should have been put first: would the building of a dam at Morrisburg or the Long Sault interfere with navigation? That could have been answered long ago, and Ontario would have known whether she would be in a position to proceed with the building of the dam, or whether she must simply lie back and wait for canalization of the St. Lawrence. There is no dispute in regard to the matter.

Mr. STEWART (Edmonton): Where does my hon. friend get that idea? It is an entirely new one to me, I have never heard it put forward in my life, and I have made a fairly close study of what has happened. I would be interested to know why there is any necessity for waiting for the development of the canal.

Mr. ROSS (Kingston): I made the supposition, if the report is in favour of canalization.

Mr. STEWART (Edmonton): My hon. friend is just supposing?

Mr. ROSS (Kingston): Yes.

Mr. STEWART (Edmonton): All right.

Mr. ROSS (Kingston): What I am contending is that the question Ontario put to this government should have been dealt with separately, in the light of the necessity and urgency of the matter which was before the people of Ontario. The province made a proposal that if the development of power were left to the Hydro-Electric the federal government would not be charged one cent; the province would proceed to pay the whole cost. The development of power cannot wait upon the canalization of the St. Lawrence if it means further long delay.

I am going to propose to the government that they should take some action in this matter. The development of power on the St. Lawrence is a Canadian project. If Quebec obtains the right to develop power at once, I think this government should become the mediator and step in and say that Ontario should be considered a favoured customer in respect of the development in Quebec. That would solve the immediate difficulty of the situation. Someone must take that step, and I think that this government should.

5 p.m.

Mr. STEWART (Edmonton): I do not follow my hon. friend. Does he mean, if the development further down the river were undertaken first?

Mr. ROSS (Kingston): It is being undertaken now. Development is going on at the present time.

Mr. STEWART (Edmonton): At Cedar Rapids?

Mr. ROSS (Kingston): At Cedar Rapids and elsewhere. If the province of Ontario is blocked on the lower St. Lawrence the government of the Dominion should, in my opinion, act as mediator between Ontario and Quebec, and declare that Ontario should at least get the benefit due to a favoured customer of the other province. Let me say why that should be done. Every bit of development in eastern Ontario, every increase in population, every additional industrial activity in that section of the province is so much grist to the mill of Montreal. Probably more business goes to Montreal from eastern Ontario than to Toronto, and it is in Montreal's interests to see that eastern

Ontario is fully developed. In proportion to such development will Montreal be advantaged. I would urge this consideration upon the government.

Mr. STEWART (Edmonton): I do not think my hon. friend need labour the question at all. This government is perfectly willing to issue the necessary permit for the construction of works for the development of Ontario hydro, the moment the report comes in. And this development, be it remembered, is on the Ontario reach.

Mr. ROSS (Kingston): Suppose the report provides that only canalization shall be proceeded with.

Mr. STEWART (Edmonton): If my hon. friend will consult the instructions issued to the board of engineers he will see that such an eventuality could not occur. All that is required is to provide for the location, and the power is developed at once.

Mr. ROSS (Kingston): That is something that will receive a good deal of consideration. I am afraid that there will be considerable delay before eastern Ontario gets what it needs, and needs at once. I am therefore suggesting to the government that it take some action by way of mediation in this matter, in the event of an undue delay taking place in the development of power. I am trying to point out that it is in the interests of Montreal to see that this development is made.

Mr. STEWART (Edmonton): There did not seem to be any dispute about the necessity of a dam at the head of lake Ontario or in that vicinity. I think that our Canadian engineers are all agreed on that point. My hon. friend need not worry about delays because of the canalization of the river holding up Ontario's development.

Mr. ROSS (Kingston): Had the minister been associated with this activity as long as I have been, and had he had the same experience as I have had of delays and attempts to defeat the ends of the province of Ontario in this matter, he would agree that there was reason to suspect and to doubt the ability of the government to secure some results. I do not altogether blame the government, but perhaps I might point out briefly just what has been done since 1912. The Hydro-Electric Commission of Ontario has seen several of its propositions blocked and defeated by interests of one kind or another. They first entertained the idea of developing on the United States border at Waddington, N.Y., and purchasing power there, That was blocked and defeated. They then proposed the Morrisburg development, and that is being blocked by the present government through the duplication of commissions. It is a wonder, therefore, that eastern Ontario is somewhat sceptical of the intention of this government to afford the people there some relief, when they consider the inactivity that has characterized the government in connection with the Chicago steal, which is destroying all our harbours and which will necessitate far greater work than hon. gentlemen opposite have ever anticipated. The minister is evidently optimistic this afternoon, but I confess that I do not share his optimism. However, I am placing before him an alternative in the event of the proposed development being delayed, and that is that, taking the interests of Montreal into account, this government should step in and see that Ontario is given the treatment that should be accorded a favoured customer of Quebec in the matter of hydro power.

Mr. EULER: What does the hon. member mean by a "favoured" customer? Does he refer to priority in the obtaining of power, or to the question of price?

Mr. ROSS (Kingston): What I mean is that the province should be put in a better position than the United States.

Mr. W. D. EULER (North Waterloo): I am not prepared to say very much on this question, but any member who comes from Ontario, and especially from the western part of the province, is naturally very much interested in the development of electrical power, chiefly for the reason, I should say, that it has been made a very great success under public ownership in western Ontario. Speaking for my own constituency, I think that I may claim for some of the men who have lived in the town of Kitchener, or Berlin as it was at the time, if not an equal prominence with Sir Adam Beck in the development of power in the province, at any rate credit for being the originators, in that town, of the scheme of developing power at Niagara. The enterprise has proved such a great success in western Ontario that we would view with alarm any likelihood of the same privilege of developing power not being extended to the people of eastern Ontario. A shortage of electrical power does exist in the province, and I think the government should do everything possible to hasten the development of such additional power as is needed in Ontario For my part I can see no very great reason for finding fault with the suggestion that we

should wait until the report is submitted, which the minister has promised by June. If that report is well thought out, perhaps, a short delay will have been justified.

I may refer to what has been said by the hon. member for Kingston City (Mr. Ross). If that report recommends something by reason of which the development of electrical power will be further held up, in consequence of the development of a larger scheme of waterways, then I think the government would be doing wrong to allow anything of that nature to stand in the way. I am not yet convinced that the waterways scheme can be made a success, and I would not want to add my endorsation to any such large undertaking for the development of an ocean waterway to the head of the lakes by way of the St. Lawrence river. I say this for several reasons. I am a layman and necessarily do not understand much about the engineering difficulties of such a scheme; besides, I am somewhat alarmed at the very high estimates which have been made of the cost. I should like the government to consider making speed in the development of hydro-electric power entirely apart from the waterways proposition, and my purpose in rising this afternoon was to give expression to that view. I hope the minister is right. Certainly I have no doubt that he is sincere in saying that when the report is submitted in June there will be no further delay in the granting of a permit for the development of power at Morrisburg.

Hon. EDMUND BRISTOL (Toronto East Centre): We are all, I am sure, very much pleased with the position taken by the minister (Mr. Stewart) to-day, that as soon as the report is brought down action will be taken by this government and that this matter will be placed in the hands of the Hydro-Electric Commission and of the government of Ontario. That is a statement of great importance to that province. I am sorry the minister is not able to report as to what has taken place with reference to Niagara falls. I have on the order paper a motion which I have refrained from introducing, believing that some action would have been taken in this direction by the government of the United States and the government of Great Britain, acting on behalf of Canada. I had hoped that something would be done, before the discussion of this motion, in relation to preserving the scenic beauty of Niagara falls along with the use of power there. I have reasons to doubt whether the development at Niagara falls has been the success we had all hoped for so far as Canada and the state of New York are concerned. This is one matter in which this country and New York state are equally interested. It is a most important question and one that calls for an early settlement. I understand that engineering reports already submitted show that within a period of three years some 3,000,000 horse-power could be produced for distribution between that state and the province of Ontario. Just what is going to happen in that regard I understand is not to be discussed at the moment, but no doubt it will be later on. Certainly I think it is a matter in which the government, and I am sure the minister, feel we should take every possible protective measure, because when all is said and done 3,000,000 horse-power, representing 35,000,000 tons of coal a year, is something that both the state of New York and the province of Ontario ought to have. The people ought to have it, for it means so much in cheapening the cost of living and of industry and of those things which make the world more comfortable and pleasant to live in. It is a matter of vital public importance.

As to the canalization of the St. Lawrence, I again call the attention of the minister to the fact—which always bites me—as to what our friends at Chicago are doing to us now they admit that at all events they have reduced the level of the Great Lakes and the St. Lawrence river at least six inches. If you figure the millions of dollars that you have to spend to deepen the St. Lawrence from Kingston downwards that extra six inches, you will realize the enormous cost and the great injury they are continuing to do to that great scheme, which seems very popular in twenty-one of the states and very unpopular with those states in the south that want to take our Great Lakes water down the Mississippi river. The problem is one to which the government must give very serious consideration. The future prospects of Canada and our relations with the United States are very much at stake at the present time with respect to the Great Lakes and the waters thereof and to what is going on in the United States with the idea apparently that they will run a canal system through the state of New York if we do not agree to a canal system down the St. Lawrence river. Their attitude is not of that friendly character which we as Canadians would like to see, because we have lived side by side with our neighbours as good friends for the past hundred years, and we want to continue to do so. I do hope that no complications will arise because of the peculiar desire of the Chicago element to take something that does not belong to them, and

the desire that has arisen in the southern states to divert the Great Lakes water to deepen a canal system by way of the Mississippi river, in effect taking away from this country and the northwestern states something which belongs to us. I am sure that as far as this party is concerned, although I am not its leader, we are all anxious to help the minister in the work he has to do, which is of such vital importance to this country at the present time.

The DEPUTY SPEAKER: Before the debate is closed I would remind the House that the hon. member for Toronto Northwest (Mr. Church) has the right to reply.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I do not want to say very much on this subject, except to comment on the investigating character of this government. I think they are the prize investigators of all time. They have been investigating this St. Lawrence project ever since getting into office, and they are investigating it still. A board of engineers has had the matter in hand, and has had so many other boards advising it that I have never yet heard the minister or any other member of the government able to give a clear account of what is being done.

Mr. STEWART (Edmonton): I do not think my right hon. friend should make that statement. They are not advising the engineering board. I do not think by any process of reasoning he could construe it that way.

Mr. MEIGHEN: There are at least four or five boards, and the relationship between them nobody can define. Who they are advising, whether each other or somebody else, I have never yet heard any minister define.

Mr. STEWART (Edmonton): May I be permitted to tell my right hon. friend in a concrete way all that board is doing about which complaint is being made?

Mr. MEIGHEN: Which board?

Mr. STEWART (Edmonton): The technical board.

Mr. MEIGHEN: There are far more than one.

Mr. STEWART (Edmonton): No, not that I am aware of.

Mr. MEIGHEN: Oh yes.

Mr. STEWART (Edmonton): That board was appointed simply to go into the matter from the legal and every other standpoint and advise the government what questions should be submitted for consideration. Surely my right hon. friend will not complain about that.

Mr. MEIGHEN: When were the questions submitted?

Mr. STEWART (Edmonton): They made a study of the matter before the notes passed between this government and the United States government as to the character of the investigation to be made. That was submitted to the joint engineering board. Beyond that the board has not functioned recently.

Mr. MEIGHEN: That board may have ceased to function, but I will guarantee that if the minister looks into it he will find there are other boards connected with different departments, all having to do in some indescribable way with this question.

Mr. STEWART (Edmonton): Only in so far as they are officers of that particular department. Take Mr. Johnston of the Dominion Water Power branch; he is a member of that board.

Mr. MEIGHEN: Which board?

Mr. STEWART (Edmonton): Of the committee at least, not the board. Mr. Biggar is another member.

Mr. MEIGHEN: Of the technical board?

Mr. STEWART (Edmonton): No, of the committee that went into the matter of what questions should be submitted for consideration.

Mr. MEIGHEN: The minister says "is a member of the committee." Surely the committee is not now existing.

Mr. STEWART (Edmonton): I do not think they are functioning.

Mr. MEIGHEN: I do not think so. The tense is wrong. That is only one; if the minister makes inquiries he will find there are committees connected with other departments that have to do with this yet, and they will all have to come together before there will be any end to it.

Mr. STEWART (Edmonton): Will my right hon. friend tell me who they are?

Mr. MEIGHEN: If he looks at Hansard of last June he will find some of them attempted to be described by the then Minister of Railways, Mr. Graham. The minister now says there will be a report from this engineering board in June, and after that the government will not delay. Will he permit

me now to make a statement of what I think will happen? There may be a report from the committee in June, but there will be no government policy announced. Either there will be delay in filing the report or there will be more consideration necessary, but we will not get any government policy on this question this session.

Mr. STEWART (Edmonton): May I say for the information of my right hon. friend that he may be correct,—

Mr. MEIGHEN: I think so.

Mr. STEWART (Edmonton): —but I think the greatest incentive will come this year from the fact that both the government of the United States and the government of Canada have a very serious problem before them with respect to the lowering of the levels of the Great Lakes, and that more than any other matter will make it very urgent that this report be filed and dealt with.

Mr. MEIGHEN: Yes, I am aware of that. I certainly see its importance and how it must be taken into account before the government comes to a decision on this matter. But what I should like to call attention to is this. The House was going to be asked to pass out of this debate in a peaceful dream, believing that in only a few short weeks we would know the solution of the question and the government would have a policy to submit to parliament. It will not have any declaration to make this session, and I question very much if it will have next session. I venture to say when a debate on this question comes on next session, if this government is in office, it will partake very much of the same character as the debate this afternoon; we will be told about this committee and that committee, about the bearing of this question and that, and about everything except the policy of the government. It is sometimes hazardous to prophesy in this House, but if there is one sure foundation you can get—

Mr. STEWART (Edmonton): My right hon. friend seems to be very critical. The Hydro-Electric Power Commission filed their plans in 1923 with this government. This resolution says so.

Mr. MEIGHEN: Yes.

Mr. STEWART (Edmonton): In 1924 steps were taken with the United States government to see if we could not get this matter settled. The board of engineers has been working on it for twelve months.

Mr. MEIGHEN: The Hydro filed their application in 1923, and steps were taken to appoint a new board in 1924. My first comment is: Why the year's delay to commence when before this government came into office the International Joint Commission had this question before it and had instructions to utilize its engineers to make a report to the government as to the character of the St. Lawrence canalization and water-power development. The subject has undoubtedly been in review for years, and the government have shifted the responsibility. Years after the International Joint Commission had this as part of their responsibility this new board was created, and to this new board all these attachments were made. So the matter has been carried successfully up to now. I simply rose to say that the same character of success will attend the whole subject while this government is in office, that being the success of drift and indecision. There will not be any announcement of policy this session, and if by means of opiates and the like the government is in office next session, we will not then have any announcement of policy on this subject.

Mr. STEWART (Edmonton): My hon. friend is speaking for himself; the government have made their announcement.

Mr. GEARY: Would the minister be good enough to tell me when he expects the report of the Dominion advisory committee? He has said that in June we will have the report of the board of engineers, but how about the Dominion advisory committee? They also have to take up this question.

Mr. STEWART (Edmonton): The Dominion advisory committee has not taken this question up in the way my hon. friend says.

Mr. GEARY: The former Minister of Railways on June 24 of last year, is reported at page 4822 of Hansard as having said:

> To consider generally whether or not the project would, if completed, be beneficial to Canada, the government has appointed a national advisory committee for the Dominion—

What has happened to that committee? Apparently its work was to be superimposed upon the work of the board of engineers.

Mr. STEWART (Edmonton): That is quite correct. This committee was undoubtedly of very great value in suggesting what the full nature of the investigation should be, having in mind exactly what took place before the International Joint Commission, and the investigation there carried on.

I repeat that it was only for the purpose of settling definitely, once and for all, with the government of the United States, what steps should be taken for this development on both sides of the river, and what should be the final plan. My hon. friend knows, of course, that there were some differences of opinion even between our own engineers, with respect to this matter.

Mr. GEARY: Then will the minister tell me what the former minister meant, in speaking of this national advisory committee, when he said:

> Our national advisory committee has had two meetings. Its chief work to date has been the consideration and approval of the terms of reference submitted to the joint engineering board. This committee will also study the recommendations and suggestions of the interdepartmental committee, and when their work is completed I believe they will present a report to the government that will be of very material assistance--

I am asking the minister, what about that report? That committee, as I understand it, is charged with this function as well as that of considering the report of the board of engineers. Whether the recommendations of the board of engineers will commend themselves to the people of Canada is also a question left to this national advisory committee. Therefore I suggest to the minister that its functions are superimposed upon those of the engineering board. If so, can the minister hope on the completion of the report of the board of engineers to give this House any information at all, until his national advisory committee has considered that report? Further, when will that be?

Mr. STEWART (Edmonton): Even if the national advisory committee does report it will only be in the nature of departmental advice, which is being given every day. Surely my hon. friend would not expect me to take the responsibility, without consulting officers of my department, of making a statement in parliament about any matter, and particularly a technical matter. I would of course have to have first the advice of those very officers. I do not think any minister would be warranted in proceeding without such advice. I cannot conceive how any body of men could interfere with the report of the joint board of engineers, which is representative of both governments, selected and deputed to prepare a finding of an engineering character purely technical in every respect. I for one do not see any difficulties in the way of dealing immediately with the report of the joint board of engineers.

[Mr. C. A. Stewart.]

Mr. GEARY: If the minister will forgive me, do I understand that he would find it impossible to make any pronouncement as to the date upon which he might expect the report of the national advisory committee?

Mr. STEWART (Edmonton): I would not say that, because the membership of the national advisory committee is composed of technical officers of the department. They are all here in Ottawa.

Mr. GEARY: That is not the committee at all.

Mr. ROSS (Kingston): If that is the function of these officials, why name them as a committee? If that is their ordinary work, and the minister has to consult his advisers in the department, why name them as a committee and put on Hansard such a statement as I referred to this afternoon?

Mr. STEWART (Edmonton): They were named as a committee, as I have repeatedly stated to the House, for the purpose of assisting as officers of the various departments. The Department of Public Works is interested in this project; the Department of Railways and Canals is interested in it, and the Water Powers branch is interested in it. They all have their separate interests and all have been represented simply to bring these officers together for the purposes of consultation.

Mr. GEARY: But that committee is already provided for; that is an interdepartmental committee; that is a committee which, according to the former Minister of Railways, has done splendid work "quietly and silently". I am not concerned so much about its functions, but the minister has not yet told me when he expects the report of the national advisory committee. That is all I want.

Mr. STEWART (Edmonton): I expect this report when the report of the engineering board is received.

Mr. ROSS (Kingston): Then I would like to ask the minister again if there has not been one commission or committee more than was needed?

Mr. STEWART (Edmonton): Not that I am aware of.

Mr. ROSS (Kingston): The procedure is so intricate that no one can understand it.

Mr. CHURCH: I understand the minister has no objection to this resolution being adopted to-day. The reply of the minister has been substantially the same as that made

by his predecessor in this House on June 24 last, but no matter how many replies we have that will not build the Morrisburg dam. The government of the United States, as I see it, have nothing to do with this question; we are not abstracting water from the river to injure navigation. As a province we have the right to use the surplus waters of that stream for the development of water power, and I do urge that the government issue this permit to the province of Ontario. The minister has said that this report will be received next June, but as I understand it that is the report on the St. Lawrence waterway. The International Joint Commission in 1921 made a report on the St. Lawrence problem, both from the engineering and commercial standpoints, and that report advised that a further report be made on the engineering features of the project. But that has nothing to do with this question, and I would be very much surprised if the report which we are to expect next summer will touch this phase of the question at all. This matter has been a political football for the last ten or twelve years. Is this report to be brought this year and then another report and still another? I hope the government during the next few months will bestir themselves and see if something cannot be done towards going ahead with this project.

Mr. STEWART (Edmonton): My hon. friend is asking that his motion pass in its entirety, but as it stands the wording would make it impossible for the government to accept it, because it would be a clear commitment, without the consent of the United States government, both to the Niagara and the St. Lawrence projects. We are negotiating in connection with both these matters. If my hon. friend will amend his motion reasonably—

Mr. MACLEAN (York): What would the minister suggest?

Mr. STEWART (Edmonton): It is difficult to amend this resolution as it stands, but if my hon. friend will amend it so that—

Mr. CHURCH: I think the government should either favour the resolution or vote it down.

Mr. STEWART (Edmonton): The government is not opposing the resolution nor the spirit of it, but my hon. friends will see how impossible it is for the government to accept a resolution that calls at once for the issuance of a permit to the Hydro-Electric Power Commission to develop power at Morrisburg when we are under obligation to await the report of the board of engineers and are in negotiation with the United States government on this very matter. Moreover, if he will look at the second clause of the resolution referring to development at Niagara he will see that exactly the same difficulty is encountered.

Mr. EULER: Might I suggest that perhaps the hon. member would consent to amend his resolution by leaving out the word "forthwith" in the third line? The principle would be affirmed.

Mr. CHURCH: I agree to having the resolution amended by leaving out the word "forthwith."

Mr. FLEMMING: I would suggest that it be amended by leaving out the word "forthwith" and substituting therefor the words "at the earliest possible date."

Mr. STEWART (Edmonton): That is agreeable.

Motion as amended agreed to.

INDUSTRIAL COMPETITION

On the motion of Mr. ROSS (Kingston):

That in the opinion of this House our industries here have to have safeguarding with respect to competition from other parts of the world, competition from the country to the south, competition from conditions as they are in Europe.

Mr. ROSS (Kingston): I am prepared to go on, but not at a quarter to six on an important resolution.

Motion stands.

CUSTOMS ADMINISTRATION

On the motions of Mr. Stevens, Nos 23, 24 and 25:

Mr. MEIGHEN: I do not know any reason why these should not carry.

Mr. STEWART (Edmonton): I have just sent for the Minister of Customs and Excise (Mr. Boivin) who asked that they be moved for purpose of discussion. I will ask the House to wait until he comes in because I know he wants to deal with some of them. When the other resolutions are dealt with we might return to these.

Mr. MEIGHEN: That is, these three are held pending the arrival of the minister.

Motions stand.

On the motions of Mr. Stevens, Nos. 29, 30 and 31:

Mr. CLARK: Surely no discussion is possible about number 31. I should think it should be passed as a matter of course.

Mr. DEPUTY SPEAKER: The leader of the opposition asked that the motions of the hon. member for Vancouver Centre (Mr. Stevens) stand for the moment.

Mr. MEIGHEN: I meant those that were asked to stand at the request of the Minister of Customs. I am not asking it; it is the Minister of the Interior who asked it. I assented to it, but number 31 is not in that category.

Mr. CLARK: I will move that.

Mr. STEWART (Edmonton): I have sent for the minister. I do not know just what is involved in this motion, whether it has anything to do with the investigation or not. If my hon. friend would let it stand until the minister comes in, we shall deal with them all at once.

Motions stand.

CANADIAN NATIONAL RAILWAYS—DETROIT FRANCHISE

Mr. T. L. CHURCH (Toronto Northwest) moved:

For a copy of all correspondence, telegrams, reports, agreements, contracts, letters and all other correspondence between the Honourable Alesander Groesbeck, Governor of Michigan, or any other person or persons, and Sir Henry Thornton and the Canadian National Railways, or any officials thereof, relating to the giving up of valuable charter considerations and rights of way to the state of Michigan by the Canadian National Railways and the Detroit G. H. & M. Railway, a subsidiary—and the agreement to pay $225,000 taxes a year to the state of Michigan. The surrender of valuable franchise owned in perpetuity in the centre of Detroit by the Canadian National and the Detroit & G. R. M. Railway, and also relating to the use of the Brush street (C.N.R.) terminal in Detroit.

He said: This resolution, I might say to the Minister of Railways, was placed under Notices of Motion for the Production of Papers nearly a month ago, and it was transferred without my consent to debatable notices of motion. I appeal to the Minister of Railways. In this case a number of valuable franchises have been given up by the Canadian National Railways, who have closed their shops at Belleville and Stratford and spent I forget how many million dollars to open new shops at Port Huron. What are they doing in the city of Detroit? They are giving away the most important right-of-way the National Railway has on Woodward Ave. Sir Henry Thornton has agreed to this and a contract has been signed, sealed and delivered over the head of the party of the first part, the Dominion government. How did the party of the second part, the state of Michigan, act? Governor Groesbeck of the state of Michigan summoned the state legislature at a special session to take up the agreement clause by clause. Is Sir Henry Thornton above this parliament? Has this parliament no say in these matters in connection with a very important franchise involving many millions of dollars of real estate of potential value which has been given up by Sir Henry Thornton over the head of this parliament? I am asking simply for the production of papers. I want the cards to be laid on the table of the House. Let us see the agreement. The state legislature of Michigan took up the agreement clause by clause at a special session. Is there one kind of responsible government in the state of Michigan, and another in the Dominion of Canada? I have no wish to labour the point. I simply ask to see the agreement. Surely there is no objection to this. The hon. Minister of Finance (Mr. Robb) said he had no objection to the resolution; he was quite willing to bring down all the information there was. Let all the cards be laid on the table so that we may see whether there has been a good deal or whether there has been a handout. I am afraid the country has been hoodwinked by the National Railways, and I want to see to what extent that fear is justified. There is no reason why the resolution should not be passed.

Hon. C. A. DUNNING (Minister of Railways): There is not the slightest objection to the motion for a return passing.

Motion agreed to.

CUSTOMS INQUIRY

MOTION FOR THE PRODUCTION OF INSPECTOR DUNCAN'S REPORT

Mr. DEPUTY SPEAKER: The House will revert to motion No. 23, by Mr. Stevens, reading as follows:

For a copy of report of Walter Duncan on the administration of the customs service at the port of Montreal, made during the month of December, 1925, together with a copy of all testimony and documents in evidence received by the said Mr. Duncan, also interim report covering eleven definite charges of irregularities including perjury, forgery, theft and other offences committed by one Bisaillon, and also charges implicating other officers of the crown in serious offences, inefficiency and dereliction of duty.

Shall the resolution be adopted?

Hon. G. H. BOIVIN (Minister of Customs and Excise): When this resolution was submitted to the House on March 15 last I asked that it be transferred from the order

"Notices of Motions for the Production of Papers" to the order 'Notices of Motions,' not because I desired to debate it at any length but because I felt it my duty to explain to the House why, in my humble opinion, this report should not be laid upon the table at the present time. If the motion carries, the government will be requested to lay upon the table a copy of the report made by Inspector Walter Duncan concerning the administration of the customs service at the port of Montreal, during the month of December, 1925, together with evidence and other documents. It is absolutely impossible for the government to comply with that order if it is made, because the government has not in its possession the original report. The original report has already been produced by the Minister of Customs and Excise, to whom it was made, before the committee which is now investigating the administration of the Department of Customs. The report is no longer in the possession of the government. It has already been handed over to a committee of the House. The members of that committee have had access not only to the interim report but to the complete report prepared when the investigation at Montreal was completed. They have also had access to all the evidence taken by Inspector Duncan in the course of his investigation into the affairs of the port of Montreal. The report made to the minister was a confidential report made by one of the employees of the government who was sent to Montreal on a confidential mission to ascertain how the officers of the department were conducting its affairs, and whether or not any of them were guilty of graft, corruption, dishonesty, or irregularity of any kind.

Now, may I explain to the House how the investigation in question was held? Inspector Duncan made an ex parte inquiry. He caused to be brought before him, either at the customs office at Montreal or in a room at the Windsor hotel, not only the officers of the Department of Customs—and I say at once that if any of those officers were proved dishonest I do not want to shield them—but also several other persons who had had dealings with the departmental officers at the port. All these people, whether they were accused or not came before Inspector Duncan and were examined. They were examined without being represented by counsel, they were not allowed to offer any defence in their own behalf. I respectfully represent to hon. gentlemen that it would be unfair to these persons to have this report tabled with the evidence upon which it was based, in view of the fact that they had no opportunity of defending themselves or of summoning witnesses in their own behalf.

If these reasons are not sufficient to justify the House in refusing to order the production of a confidential report there is the added reason that this document has already been produced. It has been before a committee of this House for at least six weeks, and every member of that committee has had access to it. I am sure that there are members of the committee now in the House who will bear me out in the statement that there are certain conclusions in that report which have not been taken up by the committee and which the committee has decided not to publish at the present time. By unanimous consent the report was produced and not filed before the committee.

Let me give another reason why a copy of the report should not be tabled. The House has appointed a committee to judge these same customs officers and officials upon the evidence now being adduced before the committee. It was appointed to make a report to this House, to give the House the names of the different officers who were unworthy of retaining their positions, the names of the different officers, who perhaps should be prosecuted for illegalities or irregularities in the performance of their duty. The committee must also establish responsibility, determine to what extent the officers themselves are responsible for these irregularities, and to what extent these irregularities were condoned or approved by the minister and by the higher officers in the department in Ottawa.

I ask you, Mr. Speaker, and I ask the House, are we going to be prejudiced, is the public of Canada going to be prejudiced by reading and by having produced as official, the conclusions drawn by Inspector Duncan? I have nothing to say against Inspector Duncan. I chose Inspector Duncan to make the investigation because he was highly recommended by the Minister of Finance and because he had the reputation of being an honest and efficient official of the Department of Finance. I was glad to send him to Montreal. He did his duty. In so far as he had time to do it, I think he did it well. Without saying a word against Inspector Duncan, I contend that the House does not desire to be influenced by his personal opinion but would prefer to rely upon the judgment of the committee appointed to investigate these matters, to pass upon them and to make a report. What advantage can there be, except possibly some petty political advantage in making public the contents of this report while the same

matters are under investigation? If hon. members who take part in this debate when it is resumed, are in a position to explain any advantage to the House in having the report tabled at present, if the right hon. leader of the opposition (Mr. Meighen) or any other hon. member can explain how the government can prepare a copy of the report and comply with the order of the House, when the report is not in the possession of the government, I should like them to do so. An order was made by the committee calling upon the Minister of Customs to submit the confidential report received from Inspector Duncan to the committee and make it available to the members of the committee. I was glad to comply with that request. I no longer have the report.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, April 8, 1926

The House met at three o'clock.

DAYLIGHT SAVING

Mr. SPEAKER: I have the honour to inform the House that I have received the following letter:

City Clerks' Department, City Hall
Ottawa, Canada, 7th April, 1926.

Hon. RODOLPHE LEMIEUX,
Speaker of the House of Commons,
Ottawa, Ontario.

Sir,—I beg to advise you that the city council of Ottawa has authorized His Worship the Mayor to proclaim that daylight saving will be observed in this city during the current year from midnight of Saturday, the 1st May, until midnight of Saturday, the 25th of September.

Your obedient servant,
NORMAN H. H. LETT,
City Clerk.

SELECT STANDING COMMITTEES

CHANGE IN PERSONNEL

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I beg to move:

That the name of Mr. Chabot be added to the select standing committee on Railways, Canals and Telegraph lines; that the name of Mr. Dunning be substituted for that of Mr. Vallance on the select standing committee an Railways, Canals and Telegraph lines; that the name of Mr. Macdonald (Antigonish-Guysborough) be substituted for that of Mr. Meighen on the select standing committee on Public Accounts.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

[Mr Boivin]

HON. G. N. GORDON

Mr. SENN:

1. Is Hon. G. N. Gordon in the employ of the government?
2. If so, in what capacity, and what salary does he receive?
3. Is the said hon. G. N. Gordon in the employ of the Canadian National Railways?
4. If so, in what capacity, and what salary does he receive?

Hon. Mr. LAPOINTE:

1. No.
2, 3, and 4. Answered by No. 1.

CANADIAN NATIONAL RAILWAYS—COAL PURCHASED

Mr. MacDOUGALL:

What are the respective tonnage quantities of coal purchased by the Canadian National Railways in each of the calendar years 1921, 1922, 1923, 1924 and 1925, (a) mined in Nova Scotia; (b) mined in the United States, and (c) mined in Great Britain?

Hon. Mr. DUNNING:

1.

		Net Tons
(a) Mined in Nova Scotia	1921	1,285,946
	1922	1,435,882
	1923	1,573,456
	1924	1,251,539
	1925	*718,826

* Output curtailed by Besco strike.

(b) Mined in the United States..	1921	3,711,280
	1922	3,170,798
	1923	5,292,556
	1924	3,012,401
	1925	2,971,706
(c) Mined in Great Britain	1921	—
	1922	56,570
	1923	13,000
	1924	20,117
	1925	21,430

NOTE.—In addition the Canadian National Railways, in the same years, purchased the following tonnages of coal mined in western Canada:—

	Net Tons
1921..	1,357,945
1922..	1,334,044
1923..	1,622,266
1924..	818,358
1925..	1,146,667

NATHAN W. EATON

Mr. FOSTER:

1. What sum of money, if any, was paid to Nathan W. Eaton, Canning, Nova Scotia, during the years 1922 to 1925, inclusive?

2. For what purpose was the money paid?
3. On whose recommendation?
4. Was the amount determined by the Exchequer Court of Canada?

Right Hon. Mr. MACKENZIE KING:

1. $1,494.83.

2. Damages due to expropriation of property.

3 and 4. By judgment of the Exchequer court.

ROYAL CANADIAN MOUNTED POLICE

Hon. Mr. TOLMIE:

1. Was a commission issued to J. P. Smith, K.C., of Vancouver to enquire into alleged improper and illegal handling of drugs by members of the R.C.M.P.?
2. Has the Minister of Justice received a report from J. P. Smith, and has such report been made public?
3. What names were submitted to the minister for appointment for commissioner?
4. Upon whose recommendation, or who was responsible for selecting J. P. Smith as commissioner?
5. Why was J. P. Smith selected in preference to the others?
6. Was not, in fact, J. P. Smith's appointment recommended by M. A. Macdonald, in Vancouver, and W. W. B. McInnes?
7. What official or other connection had J. P. Smith with the mounted police in the Yukon?
8. When did such official or other connection cease?
9. Was the minister aware of such official or other connection with the mounted police at the time of such appointment as commissioner?
10. What remuneration has been paid to J. P. Smith for his service as commissioner; also what amount for expenses?

Hon. Mr. LAPOINTE: Mr. Speaker, I should like this and the succeeding questions up to number 26 inclusive to stand. Most of them were answered last year or the year before.

Mr. SPEAKER: Questions, 6 to 26, inclusive, stand.

CIVIL SERVICE COMMITTEE—1923

RECOMMENDATIONS CONCERNING SALARY SCHEDULES AND OTHER MATTERS

On the Orders of the Day:

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, with reference to the question put by the hon. member for Vancouver Centre (Mr. Stevens) as to the action taken by the Civil Service Commission in connection with salary revision, I am informed by the Civil Service Commissioners that the recommendation in respect to this matter is practically ready for submission to the Governor-in-Council and will be forwarded very shortly.

FRANCE AND BELGIUM

DEPRECIATED CURRENCY

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, may I ask the Prime Minister (Mr. Mackenzie King) with respect to a recent order or memorandum regarding depreciated currency affecting France and Belgium, whether or not this order is in breach of the treaties recently made, whether or not representations have been made to the government for the withdrawal of that order, and whether or not the government is now considering its withdrawal?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I am not aware of any order in council referring to the matter. There is some regulation, I understand, with respect to which certain representations have been made, and these representations are being considered at the present time.

DEPARTMENT OF THE INTERIOR

EXEMPTION OF OFFICIALS FROM INCOME TAX

On the Orders of the Day:

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I should like to call the attention of the government to a return designated as:

Sessional paper number 138 for a return to an order of the House of Commons dated 15th March 1926 for a copy of all correspondence and papers in relation to exemption from income tax of sums paid by the government to any official or officials in the employ of the Department of the Interior for 1923 and 1924.

The return consists of a letter signed by the Acting Deputy Minister of the Interior, saying that, "as far as the Department of the Interior is concerned there is nothing on record respecting this matter." Naturally there is nothing on record in that department respecting income tax. It would be just as reasonable to have a similar statement from any other department, for instance, the Department of Railways or the Department of Marine and Fisheries. The Department of the Interior is not the department that deals with such matters. I should like to know whether the government will make a return to the order or not.

Hon. ERNEST LAPOINTE (Minister of Justice): I am going to look into this matter and call the attention of the various departments to it if they have not furnished the requisite information.

SUPPLY

DEPARTMENT OF AGRICULTURE

The House in committee of Supply, Mr. Duff in the chair.

Agriculture—Cold storage warehouses, $30,000.

Mr. EDWARDS (Frontenac): On what basis are the grants given by the government for the establishment of cold storage warehouses?

Hon. W. R. MOTHERWELL (Minister of Agriculture): The act under which these grants are made was passed in 1907, and the money is paid on the basis of thirty per cent of the cost of construction. That sum is given by way of subsidy, conditional upon supervision of plans, construction and so on. The grant extends over four or five payments. The provisions of the act were pretty generally taken advantage of for a number of years although during the war activities were suspended to some extent owing to the fact that the act was made applicable only to municipal cold storages. Since this government came into power, however, it has again been made applicable to cold storages generally. The demand for subsidies has somewhat fallen off recently, the feeling being that Canada is fairly well supplied with facilities in this direction. For that reason the vote has been reduced.

Mr. EDWARDS (Frontenac): The vote covers only the grants?

Mr. MOTHERWELL: Yes, and the money is all for contracts already entered into. The contract which will take most of the grant is located in Sydney, Cape Breton.

Mr. ARMSTRONG (Lambton): How many of these plants have been subsidized and what total has been spent to date?

Mr. MOTHERWELL: These plants extend over the whole Dominion, from Prince Rupert to Halifax. The number of plants and the total expended in the various provinces are, in round numbers:

Province	Total expenditure
Prince Edward Island, 2..	$ 20,000
Nova Scotia, 4..	142,000
New Brunswick, 2..	57,000
Quebec, 4.. .. ..(approximately)	85,000
Ontario, 16..	183,000
Manitoba, 1..	9,000
Saskatchewan, 4..	80,000
Alberta, 2..	72,000
British Columbia, 3..	137,000

The total number of plants receiving assistance is thirty-eight, and the total subsidy paid, $795,000.

Mr. ARMSTRONG (Lambton): How many of the plants which have been in operation are now out of business?

Mr. MOTHERWELL: They are all operating.

Mr. HANSON: Where are the two plants in New Brunswick located, and when were the grants given them?

[Mr. J. W. Edwards.]

Mr. MOTHERWELL: While my deputy is looking up that information I may anticipate a question which will likely be asked in reference to Halifax. I have had a number of communications from hon. members from Nova Scotia and I may point out here that this vote is not sufficient to take care of the project which they have in view for Halifax. From what I can gather from the correspondence I have had with hon. members, including my hon. friend from Halifax (Mr. Black), I think that what they have in mind is something substantial, not perhaps as large as the establishment at Montreal, but a plant which will be handled by the harbour board, if there is such an institution in Halifax. Obviously this vote could not meet the requirements of a large port enterprise such as the one we have at Montreal.

Mr. SHORT: At what point in Nova Scotia are the plants operating?

Mr. MOTHERWELL: Certain large enterprises do not come under this vote, and I referred to Halifax merely to point out that any considerable project which might be anticipated there could not be taken care of by such a vote as this.

Mr. ROGERS: Harbour proposals do not come under this vote?

Mr. MOTHERWELL: No.

Mr. CHAPLIN (Lincoln): How much was spent of last year's estimate of $70,000?

Mr. MOTHERWELL: About $30,000 in round figures, to meet payments on contracts already entered into.

Mr. CHAPLIN (Lincoln): What explains the decrease?

Mr. MOTHERWELL: We usually have certain votes in the supplementaries. After the House has met and spring comes and we have a fair idea of the prospect of the fruit crop we generally include a vote in the supplementary estimates for fruit-cooling establishments which have been receiving assistance in British Columbia. The extra $40,000 was in the supplementaries last year.

Replying to the hon. member for York-Sunbury, the cold storage plants in New Brunswick are located as follows: the New Brunswick Cold Storage Company, at St. John, total subsidy granted, $50,100; Imperial Products Company, Limited, Woodstock, subsidy granted, $7,673.

Mr. CHAPLIN (Lincoln): Do I understand the minister to say that none of this supplementary estimate was spent?

Mr. MOTHERWELL: Practically none.

Mr. CHAPLIN (Lincoln): The minister admits that he brought down a supplementary estimate at the end of the session and did not spend any of it?

Mr. MOTHERWELL: Yes. It was thought that a number of the fruit districts would be able to enter into this co-operative plan, but on account of the bad fruit season they were unable to do so. In British Columbia—I have particular reference to the vicinity of Nelson—the fruit men there expected to be able to raise their part of the expenditure, because it must be remembered that this amount represents only thirty per cent of the expenditure, the fruit growers putting up the other seventy per cent, but after the estimates were passed it was found that the fruit growers at Nelson and elsewhere were not able to take advantage of it because of the poor fruit crop of last year, due to the previous bad winter season, which affected the trees very adversely. In the town of Vernon we could have expended some money, but their fruit crop was also away off in quantity, and there was also some difference of opinion between the town of Vernon and Kelowna as to which should get assistance. Strong representations were made to us from Kelowna that we should supplement what we had already given them the year before, which was $20,000, for an addition to their packing plant and pre-cooling facilities, but there was a difference of opinion between them and the fruit men who had made the representations in the first instance, and the result was that the money was not expended in either place. I have been in correspondence with the member for Yale (Mr. Stirling) who has taken an active interest in this matter, and I have assured him that after the spring season has opened and we have a fair idea of what the fruit prospects will be, it is quite possible that we may have to add to this a little in the supplementaries to take care of a possible expenditure in either Kelowna or Vernon.

Mr. GEARY: Did the minister say the federal government paid 30 or 15 per cent?

Mr. MOTHERWELL: Thirty per cent.

Mr. GEARY: Did it not use to be 15 per cent?

Mr. MOTHERWELL: No, it was always 30 per cent.

Mr. GEARY: The Auditor General's report speaks as though in 1924-1925 it was 15 per cent.

Mr. MOTHERWELL: It is spread out in instalments, the first payment being 15 per cent, and then so much more as the work proceeds.

Mr. MEIGHEN: I notice that these estimates were always under the title "Arts and Agriculture" up until the regime of the present minister. May I ask him how he succeeded in getting rid of the "Arts"?

Mr. MOTHERWELL: We tried to preserve the art of getting the estimates through. I really do not know the story, Mr. Chairman.

Mr. SHORT: Will the minister say where these plants are situated in Nova Scotia?

Mr. MOTHERWELL: Lockeport Cold Storage, total subsidy, in round figures, $17,000; Halifax Cold Storage Company, at Port Hawkesbury, $9,000; St. Leonard Fisheries, Limited, formerly called the North Atlantic Fisheries, $60,000. Then there is one in Cape Breton, at North Sydney, where the amount was $36,000.

Mr. SHORT: When was that $60,000 spent in connection with the St. Leonard Fisheries, Limited?

Mr. MOTHERWELL: I have not got the date, but it was before my time. Even the North Sydney contract, the latest one in Nova Scotia, was entered into before I took charge of the department.

Mr. HANSON: I should like to ask what representations have been made to the minister in recent months on behalf of the fruit growers in the Maritime provinces, particularly in the Annapolis valley, for cold storage facilities. The minister will recall that the former member for Hants used to bring this matter to his attention annually, without very much success. I wonder if the department has looked into that, and whether it has made any provision for assistance?

Mr. MOTHERWELL: I think my hon. friend has not got just the slant on this matter which the former member for Hants had. He was not in favour of a regular cold storage plant; in fact, I recollect discussing the matter with him, and he was opposed to it. The weather is pretty cool in the fall in the Maritime provinces, and there has never been any strong request for pre-cooling facilities for their fruit. We did do a little bit in the way of ice storage, fixing up an old warehouse in the Annapolis valley in the fall of 1922, but the nights are so cold down there that the fruit will chill off in the barrels very nicely before going into storage. That is what these pre-cooling plants are required for, and

we have had no demand from the Annapolis valley for a regular cold storage plant, probably on account of their climatic conditions. I do not just recall what the former member for Hants had in mind; perhaps the hon. member for York-Sunbury would refresh my mind. I know he was very much opposed to the project that we brought up at the first session with regard to co-operative cold storage. He had no use for that at all.

Mr. CHURCH: When this matter was before the House last year, the minister said that during the parliamentary recess he would reconsider the whole question of cold storage facilities. Agriculture is our great basic industry, and there is concurrent jurisdiction over it by the Dominion and the provinces. The provinces take the view that cold storage warehouses is a matter, under the British North America Act, for the federal government. The function of cold storage warehouses to-day is entirely different from what it was twenty-five years ago. Just the day before yesterday the first sod was turned of a new terminal warehouse in Toronto that is to cost $8,000,000. For twenty-five years we have looked to the federal government to do something in this matter, but nothing has been done, and the result is that the farmers have no place in which to store their butter and eggs and cheese and other products, and at the present time a large portion of these products goes to Montreal to be kept in cold storage in private warehouses. I think the minister has no conception of what this warehouse problem means to the producer and the consumer. The retailer to-day has to buy in advance of the market and has to keep in storage butter, eggs, cheese, apples and many other products, and he has to pay bank interest of course on his investment because of the lack of cold storage facilities. The farmer has to supply the credit, whereas if the government provided up-to-date warehouses at central points it would lessen the cost of production and also very largely reduce the cost to the consumer. One cannot fail to be impressed by the large number of officials attached to the Department of Agriculture, the heavy overhead and red tape of officialdom, and the consequent large expenditure in the way of salaries and other items which is involved. At a previous session we were promised some information about what other countries are doing in the way of providing modern terminal warehouses and other methods of assisting the farmers to market their products and to help in removing some of the peak load from the consumer. Go into a grocery store to-day and you cannot get an apple for less than five cents, and the cost of such commodities as butter, cheese and eggs is in proportion. These prices are absolutely prohibitive to the working classes. A luncheon was held in Toronto the other day after the turning of the sod of the new terminal warehouse, a function which was attended by farmers from different points extending from Windsor east to Belleville, with the object of trying to see what could be done through the medium of private ownership to meet the problems pressing upon agriculturists. But problems of this kind should be worked out by the federal authorities. We have a Department of Agriculture here which is costing this country hundreds of thousands of dollars, and is staffed with officials from top to bottom. The department sends out every day loads of literature which is not read because it is too complicated. We want the federal government to take up this question, and carry out the promise made that some relief will be forthcoming to the agriculturists, the retailers, and the consumers. We ought in Canada to follow the plan with respect to terminal warehouses which has been adopted in every large city in the United States. Why is it necessary to bring in American capital to the extent of $8,000,000 to establish a terminal warehouse in Toronto to give relief to farmers in some 22 counties when the Dominion government has large resources and almost unlimited methods of taxation upon which it can draw in order to help the agricultural industry? Modern terminal warehouses are a modern economic necessity, both in the interest of producers and consumers and to lessen transportation costs and overhead. In the case of the former they would help to lessen the cost of production and of marketing, and there would be little or no waste. The retailer could buy to the best advantage when he needed supplies and those supplies would be in first-class condition. The consumer would benefit by being able to purchase commodities at a greatly reduced price. The problem has existed in an acute form since 1897 but notwithstanding the need for action no progress has been made. The federal and provincial governments have made a football of the question and whenever the provinces were urged to take action they have referred the applicants to the federal Minister of Agriculture. In central Ontario to-day the farmer is getting the worst of it. Many market gardeners are abandoning their occupation, and the dairy industry is in a very precarious state. The railways do not provide proper accommodation; there is noth-

ing in the shape of proper storage facilities, there is not even a terminal elevator for grain in central Ontario, let alone a modern warehouse. There are practically no warehouses, except a few small ones that are operated on a very minor scale. The state of New York has dozens of these terminal warehouses. Every large city has them and the aid given by the federal authority is supplemented by grants from the state legislatures. We are making treaties all the time with outside countries, but we are doing little or nothing to help the farmers and the producers and also the consumers who are suffering so much from existing conditions. I think where private interests do this modern work a subsidy should be given to facilitate the construction of these terminal warehouses. They are not a luxury; they are a necessity. These warehouses should be either under the jurisdiction of the federal government, or else the federal authorities should grant money for the purpose to the provinces and let them work out a scheme. The Dominion government would get some revenue indirectly, and there would be an immense advantage to the farmer, the dairyman, the retailer and the consumer.

Mr. FOSTER: Allusion has been made to the action taken by the member for Hants last year on the question of cold storage. I would remind the minister that the counties of Hants and Kings are now united. While it is true that the former member for Hants may not have voted for cold storage I suspect very strongly that one of the reasons why he is not sitting in this House to-day is because he did not understand the situation as clearly as was necessary and did not support cold storage for the Annapolis and Kings valley as strongly as he might have done. With reference to conditions in the two counties, we have been running to specialization in the matter of fruit for the last few years, but unfortunately we had three bad years in the fruit industry. May I say to the minister and to hon. members that the conditions in that regard were never worse in those two counties than they are to-day; and one special reason why I am here as a representative of these counties is because the federal government for the last four or five years, in fact for many years back, have not heeded the demands that have been made in the past and are still being pressed. I understand that several delegations composed of very substantial Liberals, from the two counties, have waited upon the government and impressed upon them the necessity of doing something to help the fruit industry of the Annapolis and Cornwallis valleys and of granting aid in other directions. The government instead of paying heed to these representations have appointed a commission to examine into conditions in the Maritime provinces. I venture to suggest that that commission was in no sense necessary. The members in this House supporting the government and members supporting the opposition are a unit on certain fundamental things which must be done in the Maritime provinces. A commission will not accomplish what is required. You cannot get these things done by appointing a royal commission and spending $25,000 or $50,000—probably this commission will cost $100,000 before it is concluded.

Now with regard to the things which are required to be done, it is generally understood that we will have to get away from specialization in fruit growing in that section of the country if we are to make progress in creating greater wealth. The government will have to provide similiar facilities to those established elsewhere in Canada to assist the people to get back into the business of producing eggs, butter and cheese, meat, and so on; creameries will have to be established, and all those things are dependent upon cold storage facilities. We have before us to-day a propostion for a large cold storage warehouse for the city of Halifax. I understand it is to be undertaken by the Norcross Company, but the question who is to build it is of no particular interest, except in this way, that when representatives come from this section of the country and ask for assistance for cold storage institutions they ought to receive substantial consideration and support. I for one cannot vote millions of dollars to be spent in other sections of Canada, without drawing the attention of the minister and the government to the very important matter of voting at least some of this money to the re-creation of trade in the Maritime provinces to the end that there shall be an upbuilding of trade down there, in order to make two blades of grass, or two dollars, if you like, grow where one or none is growing or being earned at the present time.

On some of the items I will refer to particular industries, by which we will be able to produce millions of dollars worth of wealth in those counties if the government will give the matter some further attention. I am glad the Minister of Agriculture (Mr. Motherwell) is giving some attention to certain matters in that district, and I do not propose to find fault with him as to that. But I desire very forcibly to direct his attention to the fact that

we must have new avenues for the production of wealth in those two counties of Hants-Kings and in that section of Nova Scotia in order to satisfy our people. If the Minister of Agriculture or even the Prime Minister were on the proposed Maritime commission, they would find conditions obtaining there pretty much as we have stated them during this session.

I hope it is not assumed that this item of $30,000 will be sufficient to take care of the situation in Halifax. I understand some further provision is to be made in the supplementary estimates. Even if the amount were $40,000 it would not take care of the situation or do much to revive the interest of the province in these matters. Of course this is only one of the things which can be done; other matters, such as freight rates, will come up in due course. I hope the minister will give instructions that when delegations of his own party from Nova Scotia come to him, they shall be treated better than we would be if we approached him. It is not a question of being magnanimous to any particular part of the country; but it is a matter of seeing that the money which is spent will be productive of new wealth and of prosperity which does not now exist.

Mr. MOTHERWELL: I wish my hon. friend would refresh my memory with regard to requests for the establishment of a cold storage plant in Nova Scotia, outside of the city of Halifax. The understanding was that Halifax could not be taken care of in this vote. I have no recollection of refusing any cold storage plant in Nova Scotia. We have been doing something in reference to the establishment of cold storage in the Annapolis valley, but outside of that we have not established any plants. We are not promoting these things ourselves, but we are putting 30 per cent into the enterprise to help those who help themselves. I believe the hon. member (Mr. Spence) is pretty well posted on this question, and I do not think he will take the ground that we need a lot more cold storage plants.

I do not think I heard all that the hon. member for Toronto Northwest (Mr. Church) said a few minuts ago, but he spoke gaily in terms of eight or more millions. I am afraid I would shock the House if I brought down a measure which would pretend to take care of an enterprise of that nature. Neither this vote nor any previous vote was intended to take care entirely of port situations. The enterprise at Montreal is one of the finest on the continent, and I would like to give my predecessors full credit for that. It is very much required. I think it has been capable of taking care of the cold storage business that has been offering at that port ever since. But the proposition of cold storage immediately after the war was a very doubtful one, for the simple reason that the people were not patronizing these warehouses. They were not storing their produce; they were retrenching and using the facilities around home, buying a small plant and putting it in their kitchen or basement, and storing their dairy produce there instead of keeping it in a public cold storage where they had to pay for it; consequently there was not a demand for storage. There is not one single new contract for this year. Yet we have not been refusing them, outside of Halifax, and it was not really a refusal. I drew the attention of the senior member for Halifax (Mr. Black) to the fact that this vote was never intended to take care of cold storage at the port of Halifax, because that would run into a large sum. If I understand the hon. member for Toronto Northwest rightly, there is the prospect of a great enterprise, running into millions, being established in Toronto. That is not a pure cold storage proposition. A cold storage warehouse, like an elevator, seldom can pay its way when it relies merely on the charges for storing produce. Whoever owns such a warehouse must be a large produce dealer, must trade in this produce and must obtain profits largely in that way. These things seldom take care of the cost of operation and of storing the produce when the crops come in.

I should like to assure hon. members opposite, and all hon. members in the House generally, that this vote will take care of all the projects now under way, and the first one is at North Sydney, in the province of the hon. member for Hants. It is a general cold storage for all kinds of commodities. Later on in the session it will be taken up and considered.

I may say, from a cursory examination of the Maritimes, which I had the honour of making two years ago, one of the first impressions I got was that the plan for the development of the fishing industry at Halifax was lamentably short in cold storage facilities. Furthermore, if the trade with the West Indies develops as we expect it will under the new treaty, we will require more accommodation for perishable goods arriving at Halifax dock from the West Indies, in order that they may be taken care of, until distribution is made by the various railways and through other avenues. Therefore, I feel

somewhat sympathetic with the Halifax project. But this was never intended to include port cold storage. It is too large a proposition to be included in this vote.

Mr. MILLAR: After trying to hear what is going on in the House, I have been wondering if there is any good reason why the business of this Dominion should be carried on in such a manner that one part of the House is not able to follow the discussion intelligently.

Mr. SHORT: I was asking the minister a few minutes ago where the cold storage plants in Nova Scotia were situated. He stated one was St. Leonard Fisheries Limited at Port Hawkesbury and that $60,000 was appropriated for that. That is purely a fish cold storage plant. I do not object to the vote, but why does it come under the Department of Agriculture?

Mr. MOTHERWELL: Fish is one of the natural resources of the country. These things interlock sometimes. Does my hon. friend want to put in a claim to have it refunded?

Mr. SHORT: No, but why should fish come under the Department of Agriculture?

Mr. MOTHERWELL: That was before my time and I had nothing to do with it. I have not the year in which it was initiated, but I happen to know that fisheries are included in this vote because I know in other parts of Canada agriculture was interpreted to apply to fisheries as well as to agriculture, not of course to apply exclusively to fish because it is not advisable to have perishable commodities like dairy produce in the same warehouse as fish. We try to avoid that but the old interpretation in regard to agriculture included fish. Those who come from the Pacific coast and are familiar with conditions at Prince Rupert will know that a considerable sum was given in years past to a fish cold storage plant at that point. My deputy informs me that the plant was intended to be for everything, but as a matter of fact it has developed largely in connection with the cold storage of fish.

Mr. SHORT: Are we to understand that all cold storage plants in Canada are under the Department of Agriculture?

Mr. MOTHERWELL: No.

Mr. SHORT: Then why is this plant at Port Hawkesbury, where no agricultural products are stored, under the Department of Agriculture?

Mr. MOTHERWELL: That is away back in days gone by. It is hard to learn how we got into it. I have pointed out that port plants, such as the one at Montreal, are not under our department but under harbour boards. That is the exception.

Mr. FOSTER: Are all these plants in Nova Scotia used chiefly for fish cold storage or are some of them used for agricultural purposes?

Mr. MOTHERWELL: The one at North Sydney, for instance, is used for agricultural purposes and fish as well, but we have to take special precautions in connection with insulating the plant and dividing it off into rooms to ensure that no offensive odours from the fish contaminate other commodities that are stored there.

Mr. HANSON: Of course the minister does not contend that the cold storage plant at North Sydney is in aid of agriculture. If he does, he had better revise his ideas regarding that part of the country. Is the cold storage proposition at Montreal assisted out of this vote?

Mr. MOTHERWELL: No.

Mr. HANSON: Is that done through the harbour commission?

Mr. MOTHERWELL: Yes, entirely.

Mr. HANSON: Does the government or any department of the government obtain a report from the harbour commission as to the business done in its cold storage branch? Is the minister able to tell us whether that is a money making proposition or not?

Mr. MOTHERWELL: I would imagine there would be a report each year to the Department of Marine and Fisheries under which I understand it comes. Our officers are almost constantly employed in the plant grading butter and cheese; we are fairly familiar with the kind of service that is given and it is satisfactory.

Mr. BLACK (Halifax): Are butter and cheese products of the sea, as the cold storage plant at Montreal appears to be under the Department of Marine and Fisheries?

Mr. MOTHERWELL: I do not understand the point.

Mr. ARMSTRONG (Lambton): What action, if any, has the minister taken to improve cold storage facilities in connection with fruit products going from Grimsby district to

the west and from western Ontario by boat to the west? I would also ask, what has been done in the direction of improving transportation on cars and boats taking our perishable products to the market on the other side of the Atlantic?

Mr. MOTHERWELL: The next vote is exclusively for fruit and it would be better not to mix the two. With regard to Grimsby they have been extending cold storage facilities there from time to time under the assistance that we have been able to give. The concern is a co-operative one with Colonel Roberts as president. They have also an artificial ice-manufacturing plant, through the medium of which they provide icing facilities for all shipments of fruit marketed there and sent out west in the beginning of the season. The plant is doing exceedingly good work. Just how it has been panning out financially of recent years I am not aware, but as in all new institutions the overhead was a little out of proportion to the turnover during the first year or two. I understand that in recent years a tremendous quantity of early fruits particularly and perishable fruits get not only cold storage at Grimsby, but pre-cooling and icing on both railways for the western trade.

4 p.m.

Mr. ARMSTRONG (Lambton): Will the minister be willing to assist the cold storage transportation of the products of western Ontario? I come from a district which ships enormous quantities of fruit by boat. What assistance, if any, would the minister be prepared to give in that direction?

Mr. MOTHERWELL: We have no provision for that. I often was surprised that the fruit men of the Niagara peninsula did not take more advantage of this provision for cold storage facilities. On more occasions than one I have had opportunities of talking to them and also to fruit men in the Kelowna valley. On my first visit to Kelowna I saw a number of exceedingly fine fruit packing plants, not one of which had a single cubic foot of cold storage space. I pointed out to them that they were missing a lot in not prolonging their marketing season through lack of pre-cooling or cold storage facilities. The same may be said with regard to the Niagara peninsula; outside of Grimsby nothing has been done by the fruit growers to provide such facilities. Probably it is a difficult thing to finance; at any rate, it has proved so in the past. The Grimsby plant is giving exceedingly good service.

[Mr. J. E. Armstrong.]

Mr. ARMSTRONG (Lambton): I am asking more particularly with regard to transportation by boat, for instance, from Sarnia to Port Arthur and Fort William. Would that come under legislation such as the minister refers to?

Mr. MOTHERWELL: No, we have never had any call for it. I do not know whether there are any cold storage facilities on the boat my hon. friend refers to, but if the owners are undertaking to carry perishable commodities they would no doubt provide proper facilities.

Mr. ARMSTRONG (Lambton): The minister has no doubt had requests with regard to the overseas carriage of perishable products. What improvements has he made in that direction during the last few years?

Mr. MOTHERWELL: The committee will recall that the only attempt made was under the provisions of the Petersen contract, which would have provided 60,000 cubic feet on each boat. My hon. friend knows what happened to that.

Mr. ARMSTRONG (Lambton): What happened?

Mr. MOTHERWELL: Well—

Mr. ARMSTRONG (Lambton): I do not think the minister fully appreciates my request. At one time, as I understand, we did assist in the transportation of perishable products on vessels plying between Canada and the Motherland; we had thermograph records and other information carefully compiled. What improvements have been made along those lines?

Mr. MOTHERWELL: I think assistance in keeping track of temperature and in cargo inspection is given on both sides, but no assistance was ever given to provide cold storage facilities.

Mr. MORAND: Is a cold storage warehouse being built at Kingsville or Leamington?

Mr. MOTHERWELL: That will come under the fruit item.

The CHAIRMAN: Carried.

Mr. TOLMIE: What are the cold storage facilities for fruit alone in British Columbia?

Mr. MOTHERWELL: We assisted Kelowna to the extent of $20,000. They have a very urgent application in for another $20,000 that they claim would double their accommodation. That is under consideration for

another occasion. At Salmon Arm we have assisted to the extent of $10,000, and we have also helped two smaller plants near Chilliwack.

Mr. TOLMIE: Are there no plants at Vernon?

Mr. MOTHERWELL: There is a good plant at Vernon, but there is no installation yet.

Mr. TOLMIE: What progress has been made with your experiments in regard to cold storage shipment of fruit in cars?

Mr. MOTHERWELL: That comes under the fruit vote. I understand from my deputy that we are experimenting with different kinds of cars.

Mr. SMITH: I understood the minister to say that no portion of this $30,000 would apply to the proposed cold storage plants at Halifax. If that is so, will any government assistance be rendered to this plant under a supplementary or other vote?

Mr. MOTHERWELL: Nothing will come from this vote, for obviously it is too small for the purpose. I would not be a bit surprised if this should be one of the subjects to be discussed before the royal commission which has just been appointed. I expect my hon. friend from Cumberland (Mr. Smith) heard me intimate that if the fish exports to the West Indies and the return traffic to our Atlantic ports develop as we hope they will, we will certainly require some cold storage accommodation at Halifax. It should be under the harbour board, but I understand that the Halifax harbour port is not administered in the same way as the ports of Vancouver, Quebec and Montreal.

Mr. HANSON: The minister has made some reference to the proposed royal commission on maritime rights. Does not he honestly think that this is the proper place to discuss that sort of thing, and that the members here who have first-hand information are in a better position to bring to the attention of himself and the other members of the government the needs of the various parts of the Maritime provinces? That is the feeling on this side of the House, as has been shown on more than one occasion. There is need of cold storage in a terminal city such as Halifax. It certainly does not require a commissioner from the old country or an economist from McGill University to tell us whether we want such a facility in Halifax or not. All of which shows how futile is this proposed Maritime rights commission.

Mr. MOTHERWELL: My hon. friend from Cumberland (Mr. Smith) asked me a question about it. I would be prepared, Mr. Chairman, to swap off the elevator there for a good cold storage plant.

Mr. HANSON: Hear, hear.

Mr. MOTHERWELL: You could not very well convert the one into the other now, but no doubt both will be required.

Mr. CHAPLIN (Lincoln): Has the minister no influence whatever with the government?

Mr. MOTHERWELL: The minister does not undertake to run all the departments. He does well if he manages his own.

Mr. MEIGHEN: The minister, replying to the hon. member for Lambton (Mr. Armstrong), indicated that the only attempt the government had made to have cold storage in connection with vessels was in the Petersen contract, and that failed. We heard a few months ago that that contract was to be revived, or at least that something of the kind would be provided. We were going to have a renewal of the war against monopoly by land and sea, and we had only an armistice caused by the unfortunate—I emphasize the word "unfortunate"—death of Sir William Petersen. Will the minister now give us warning when we may expect the second Petersen contract?

Mr. MOTHERWELL: The transportation problem is still unsolved, both on sea and in the matter of cold and other storage. It is generally felt, however, that the programme is an extensive one which will require considerable time to complete; and rather than introduce at this late stage something that might prove controversial, it was thought that we might leave the question for solution until a subsequent session. We cannot expect to remedy all the evils of the earth at this particular session. I think my right hon. friend (Mr. Meighen) will agree with me that we are doing pretty well, and that the matter might stand in the meantime. The hon. member for Marquette (Mr. Mullins) is very much interested in this subject, especially as regards the cattle rate question. So am I; indeed we are all interested in the matter.

Mr. MEIGHEN: Shall we have another Petersen contract next session?

Mr. MOTHERWELL: I do not know that we shall ever have another Petersen contract; we may possibly have learned something in the meantime. But what the Petersen con-

tract aimed at doing may be accomplished in some other way, equally effective, and I trust not quite so controversial. And when such an arrangement comes up for consideration I sincerely hope that we shall be able to elicit the assistance of my right hon. friend and those behind him, from whom, let me say, we received not a vestige of help on the former occasion.

Mr. CHAPLIN (Lincoln): You got our assistance in getting rid of it.

Mr. MOTHERWELL: My hon. friend surely does not assume responsibility for getting rid of Sir William?

Mr. CHAPLIN (Lincoln): Not at all; only for disposing of the arrangement which the government made with him.

Mr. MOTHERWELL: I beg your pardon.

Mr. CHAPLIN (Lincoln): Don't mention it.

Mr. SPENCE (Parkdale): Providing we develop a great trade with the West Indies as we hope, or at least as the government hopes, the minister is discussing the building of a cold storage plant at Halifax. I suggest that it would be wiser to construct a great heating plant there. How does the minister propose to protect vessels that come into Halifax with fruits of all kinds during winter? You cannot put them in cold storage in winter.

Mr. MOTHERWELL: Is the hon. member referring to the famous pier which is almost impossible of access?

Mr. SPENCE (Parkdale): I am in earnest. It will be necessary to make provision for a heating service as well as for cooling facilities at Halifax.

Mr. MOTHERWELL: Do you mean in regard to the shipping of apples and potatoes?

Mr. SPENCE (Parkdale): No, I mean for the reception of vessels coming in from the West Indies in winter.

Mr. MOTHERWELL: We thought of converting that pier into something of the kind into which the cars could be run and protected overnight.

Mr. SPENCE (Parkdale): I am emphasizing the necessity for a heating plant for receiving bananas, pineapples and other fruits coming into Halifax in winter from the West Indies. You have no heated dock anywhere in Canada.

[Mr. Motherwell.]

Mr. MOTHERWELL: I understand that the idea has been abandoned, of providing heating accommodations for the cars after they are loaded. The railways supply heated cars and the difficulty of shipping perishable goods in winter has already been met, so that it is not necessary to provide heating accommodation at the ports.

Mr. SPENCE (Parkdale): The minister does not get my point. You will have to provide space to take care of the vessels coming into the port of Halifax in winter. The railways will heat their cars but they will not put up a heated shed such as there ought to be at that port.

Mr. QUINN: The minister has referred to a pier at Halifax which cannot be got into. If that is the case, as he believes, why did he allow the government of which he was a minister to spend a million dollars in connection with the grain elevator in front of that pier?

Mr. MOTHERWELL: I do not know where—

Mr. QUINN: The minister should know; he is a member of the government.

Mr. MOTHERWELL: Does my hon friend prefer the old location?

Mr. QUINN: Very much.

Mr. MOTHERWELL: I understand that the hon. gentleman's party tore up the old facilities.

Mr. QUINN: Does that justify the minister's government in spending another million dollars there for facilities if the vessels cannot get into the pier?

Mr. MOTHERWELL: Evidently we need a Maritime commission after all.

Item agreed to.

Fruit, including grant of $8,000 to the Canadian Horticultural Council, $200,000.

Mr. TOLMIE: What is the value of the apples shipped from Canada to Australia in the past year?

Mr. MOTHERWELL: I have no idea. We are not shipping a great many.

Mr. TOLMIE: Do you ship to Australia at all?

Mr. MOTHERWELL: I do not think so.

Mr. TOLMIE: Why?

Mr. MOTHERWELL: I think our fruit is prohibited.

Mr. TOLMIE: On what ground?

Mr. MOTHERWELL: Because of the codling moth.

Mr. TOLMIE: I think the minister will find it is the fire blight.

Mr. MOTHERWELL: Both, I think.

Mr. TOLMIE: Was any provision made for the shipment of Canadian apples to Australia when the treaty was being negotiated?

Mr. MOTHERWELL: I was not there.

Mr. TOLMIE: I presume some other member of the government of which the minister formed a part was there. Was anything done?

Mr. CHAPLIN (Lincoln): The minister gets from under.

Mr. MOTHERWELL: That Australian treaty has a habit of bobbing up every now and then.

Mr. MEIGHEN: Like the Petersen contract.

Mr. MOTHERWELL: Well, we are not ashamed of either; but there is a time to discuss these things and a time to leave them alone, surely. I presume my hon. friend (Mr. Tolmie) wants to know why some agreement was not reached to have the embargo lifted. I do not think that the Australian government would remove that embargo any more readily than we would under similar circumstances, if we thought that fruit coming in from outside would injuriously affect our own product. Apparently the Australians are convinced that our apples at present are a menace. Is my hon. friend suggesting that Australia, in taking this stand, is only putting up a bluff? The codling moth is a real menace to fruit, as is fire blight, and if they think that these diseases will endanger their own fruit I think it is their duty to close down on our export. At the same time it is our duty to get rid of the trouble as speedily as possible and so merit entry into the sister dominion.

Mr. TOLMIE: Is the minister sure that it is more than fire blight that they object to?

Mr. MOTHERWELL: They are objecting to both.

Mr. TOLMIE: What progress is being made in the export of Canadian fruit to Great Britain, and what have been the increases in the past year?

Mr. MOTHERWELL: There has been a marked improvement in quality in the shipments from British Columbia. That province has been foremost in the Dominion in taking advantage of the shipping point inspection service. As a matter of fact, it was they who initiated that service by volunteering to pay $5 a car if the government would provide the inspection and give a certificate covering the car. Their quality, as I say, has improved to a marked degree, but British Columbia is about the only part of Canada of which that can be said without qualification. We have no information as to the quantity shipped from British Columbia.

Mr. TOLMIE: I should like to know what has been the rate of increase from year to year in the shipments from Canada to the Old Land.

Mr. MOTHERWELL: I will take a note of that question.

Mr. TOLMIE: I notice that first Delicious apples grown in British Columbia are selling at seventy-five cents per dozen in Ottawa in the retail stores. What proportion of that amount, if any, goes to the producer?

Mr. MOTHERWELL: I can imagine it would not be half, nor a quarter possibly. At a rough guess I would say about one-eighth.

Mr. TOLMIE: I do not want a guess; I can guess myself; I am from British Columbia. I wanted to know how the spread between what the British Columbia producer and the vendor in Ottawa receives for those apples was divided.

Mr. MOTHERWELL: We have been endeavouring to reduce that spread in every way possible by giving inspectional facilities, so that the goods could go forward with the government certificate as to quality, and we have also been encouraging dehydrating plants, pre-cooling plants, and so forth. One of the first activities we engaged in was trying to put the Okanagan fruit industry on a better footing, and it has responded splendidly, as is shown by the improved quality of their produce. I imagine there is a tremendous spread between what the British Columbia producer and the Ottawa vendor get, but my hon. friend would not expect me to be able to follow every step, or make me wholly responsible for that spread.

Mr. TOLMIE: What I wanted was general information of interest to the producer in British Columbia and to the consumer here. It has already been mentioned by an hon. member from Toronto that the poor man cannot buy apples at the present prices, and I wanted a little light on the subject. I would

ask the minister to be good enough to have the experts of the Fruit branch bring us that information before the agricultural estimates are through.

Mr. MOTHERWELL: All right.

Mr. TOLMIE: I notice that the Washington Winesap grown in the Yakima valley, Washington, is now taking hold of the market, and selling at 60 cents a dozen for the best quality. Is there no variety of Canadian apple that could supply the wants of this market at the present time?

Mr. MOTHERWELL: That again, I presume, involves the question of the customs tariff. I would say there are lots of Canadian apples that could take its place, but there is nothing so extraordinary as the buying tastes of our own people. In British Columbia in the middle of the cherry season you will find Washington cherries on the British Columbia market. We have these apparent anomolies all over Canada. There are plenty of Canadian apples to take the place of the Winesap, but apparently it is being advertised, and people are in the habit of trying something new, and they buy it regardless of the country of origin.

While I am on my feet I might point out something that we have done to reduce the spread referred to by my hon. friend from Victoria (Mr. Tolmie), and that is the recent prosecution of a selling agency for violating the Combines Act, which resulted in the infliction of $200,000 in fines on four different companies and four individuals, whose activities had resulted in increasing that spread between the British Columbia producer and the Ottawa consumer. I am hopeful that similar exactions will be reduced as a result of that penalty.

Mr. TOLMIE: Can we grow the Winesap in British Columbia to the same perfection that they can in the Yakima valley? The dry belt, east of the Cascade mountains extends south as far as Mexico, and throughout its length soil and climatic conditions are very similar. Is there no apple we can produce at that particular season of the year to compete with the Winesap grown in Washington state? Is the Winesap a success in British Columbia?

Mr. MOTHERWELL: I understand so.

Mr. MILLAR: Would the minister give a general explanation how this $200,000 is expended? Is any part of it expended for experimental work, or is that provided for elsewhere?

[Mr Tomlie.]

Mr. MOTHERWELL: The experimental work, especially with regard to diseases, is conducted by the Fruit branch of the experimental farms. This vote is not for that class of work, but largely for inspectional service.

Mr. HANSON: The minister explained a few moments ago what his department was doing to extend the market for Canadian fruit, and especially to put British Columbia apples on the map. I did not hear him say anything with respect to the cost of transportation. In my humble judgment, the one great reason for the spread that has been mentioned between what is paid the British Columbia producer and what the Ottawa consumer has to pay is the extremely high express rates. Let me illustrate: There is no better apple grown in Canada than the Ontario Northern Spy. For some years I have been in the habit of getting some from my friend the member for Durham, and let me tell the minister and the committee that the express rate on a box or barrel of apples from Durham county to Fredericton, New Brunswick, is exactly 100 per cent of the first cost. That is a condition that should not obtain, and if the minister wants to do something of real service both to the producer and the consumer of Canadian apples, let him get busy on these outrageous express rates.

Mr. SUTHERLAND (South Oxford): What amount of this vote was expended last year?

Mr. MOTHERWELL: Practically all of it.

Mr. SUTHERLAND (South Oxford): What portion of it is for salaries of officials, bonuses and travelling expenses?

Mr. MOTHERWELL: The greater part of it is for inspection.

Mr. ARMSTRONG (Lambton): Would the minister also be good enough to give the number of inspectors?

Mr. MOTHERWELL: This is largely for inspectional service, but I have a page of details here that I can read for my hon. friend. I think I gave my hon. friend the information in a return, but I will give this too:

Inspection Service	Estimates 1926-27
Salaries 5 district inspectors..	$11,850
Salaries 17 permanent inspectors..	32,400
Salary 1 additional permanent inspector (Fruit and vegetables) promoted from seasonal, additional five months.	
Salaries 45 seasonal inspectors (average 7 mos., plus statutory increases)..	43,200
Salaries 5 temporary inspectors (average 7 mos. at $125 each per month)..	3,750

To provide for recommended reclassification district inspectors..		150
Travelling expenses 73 inspectors..		46,900
5 district inspectors..	$ 9,600	
17 permanent inspectors..	13,400	
45 seasonal inspectors..	20,300	
5 temporary inspectors..	3,300	
1 additional permanent inspector..	300	
	46,900	
Salaries for stenographers, Middleton $320, Montreal $960, Toronto $780, Winnipeg $960, and Vancouver $810..		3,830
Rents		
For rent of Halifax office..		270
For rent of office Winnipeg..		480
For rent of office Middleton $180, St. John $180..		360
		$143,190

There are two more pages containing very much the same information. Now, as to fruit packing, I will give my hon. friend the headings.

Mr. SUTHERLAND (South Oxford): I asked for the totals not the details.

Mr. MOTHERWELL: There are these headings: Fruit transportation, fruit packing and orchard specialization, office expenses, grade and market reports, inspection of markets. As to the shipping point inspection service the explanation would be of interest to the committee. This service, as I indicated, was first taken advantage of by British Columbia. It is now being taken advantage of in the Niagara peninsula, and I would be delighted to see the Maritime provinces, especially the Annapolis valley, follow suit. They need the service there. When the Fruit Marks Act was introduced many years ago, it was a great step forward, and it had the very beneficial effect of improving the quality of our export. But the time has come when we must no longer rely simply on inspection by the owner or packer of the fruit. I believe the time has come when we should have compulsory inspection of all exports of fruit to any market outside of Canada, especially of apples, just the same as we do in the case of butter and cheese.

Mr. CHAPLIN (Lincoln): Why not in Canada also?

Mr. MOTHERWELL: I understand that in the case of a great deal of shipping point inspected apples the fruit in consumed in Canada.

Mr. CHAPLIN (Lincoln): I think, Mr. Chairman, one reason why so many British Columbia or Washington apples come into this market is the lack of inspection of the fruits used by our own people.

Mr. MOTHERWELL: We are getting there.

Mr. SUTHERLAND (South Oxford): Probably that accounts for the quality of the apples which are served for dessert in this city, particularly in this building. I think it is most remarkable, bearing in mind that Ottawa is the headquarters of the inspection service and the centre of government that you cannot obtain what one might term decent, or at least third-rate quality of fruit in a building such as we have here. The same might be said with regard to cheese. The minister's statement that great care is exercised in inspecting everything for export but not commodities for home consumption possibly is the explanation. Grading certainly should be applied to articles intended for home consumption as well as articles intended for exportation abroad, because there is no question but that a great deal of very inferior stuff is palmed off on the people of this country, and instead of the consumption of our own fruits and other food products being encouraged the very reverse happens. Consequently our people are to-day buying fruits imported from foreign countries, whereas they might very well be consuming Canadian fruits if they could get that quality which is insured by inspection in the case of fruit shipped abroad.

Mr. MOTHERWELL: I think my hon. friend may have misunderstood me. Those who apply for shipping-point inspection sell their fruit wherever they like. Of course if that fruit is sold at home they get the benefit; if it is sold abroad they enjoy a still greater benefit. In my estimation apples for export should be compulsorily graded the same as is done in the case of butter and cheese.

Mr. MILLAR: How many inspectors are located in Saskatchewan and when do they carry out their inspection? Do they inspect fruit so far as they possibly can, or only when called upon to do so?

Mr. MOTHERWELL: The principal duty of the inspectors on the prairies is to see that people get the goods they pay for. When a consignment of fruit is sent from British Columbia, we will say, under our shipping-point inspection system it is graded so-and-so. The vendor sends the shipping bill, with the necessary documents attached, and if the purchaser on the prairie is not satisfied with the goods he purchased he calls in the inspector.

Mr. MILLAR: The inspector only inspects when there is a complaint?

Mr. MOTHERWELL: Yes. Do I understand that my hon. friend asked for a list of the inspectors, or did he simply require an explanation of their duties?

Mr. MILLAR: The number of inspectors in the prairie provinces, or in Saskatchewan alone, would be satisfactory.

Mr. MOTHERWELL: These are the inspectors: Regina, Mr. R. P. Andrews; Saskatoon, Mr. F. Metcalf; Edmonton, Mr. Goodale; Winnipeg, Messrs. Steele, C. Brooks and Fred Gow; Calgary, W. B. Gornall.

Mr. GEARY: I might ask the minister a question about apples. I suppose there is nobody in the House who knows less about apples than I do. The hon. member for Victoria (Mr. Tolmie) has spoken of the Winesap, and the minister I understand says that that apple is produced in just as good quality in British Columbia as it is in the state of Washington, and then in Ottawa we have the Washington product occupying the market. It has occurred to me that there is a good deal of food for thought in the situation. Whether it is the lack of proper marketing, or proper packing, or high freight rates, there is something which permits the Washington product, which is carried no farther than the British Columbia product, to pay duty and come in here and usurp the market. I ask the minister if it is not a matter which should interest him and his department.

Mr. STIRLING: May I point out that it is chiefly a question of quantity. The Winesap apple is one which has been grown for some years in the valleys in British Columbia but not in any great quantity. It is becoming more and more popular, and in those parts of the Okanagan valley and neighbouring valleys where it is grown—that is to say suitably—it is coming forward in popularity but at the present time the quantity is not enough to supply the demands of the market.

Mr. MOTHERWELL: I do not think we should do anything to discourage interprovincial trade. If there is a better apple grown elsewhere than is produced in Ontario and the people find it out they will send for it.

Mr. GEARY: I do not blame the minister for not wanting to answer.

Mr. MOTHERWELL: I presume it is the tariff question again. It is something which applies to eggs and many other commodities.

[Mr. Motherwell.]

Mr. BROWN: Perhaps the minister will take into consideration the spread between the price the producer receives and the price which the consumer in Ottawa pays.

Mr. TOLMIE: The minister having slipped through the tariff hole again I should like to know if there is any other apple produced in Canada that would take the place of this Washington Winesap at this particular period?

Mr. MOTHERWELL: The Northern Spy.

Mr. TOLMIE: And the Delicious of British Columbia?

Mr. MOTHERWELL: Yes.

Mr. TOLMIE: No others?

Mr. MOTHERWELL: I am getting very delightful apples every morning for my breakfast. I do not know exactly where they come from, but I understand they are Canadian apples.

Mr. TOLMIE: If they are very good apples, I have a strong suspicion as to the point of origin. What are the total exports of fruit from Canada to the United States and the total imports in value from that country to Canada?

Mr. MOTHERWELL: I understand we have no figures on the exports. We will get that.

Mr. TOLMIE: Would the minister get those figures before the agricultural estimates are all passed?

Mr. MOTHERWELL: Yes.

Mr. TOLMIE: We are trying to develop this great market in Great Britain for all our agricultural products. In what way does the Britisher like to receive his apples from Canada, in the box or in the barrel?

Mr. MOTHERWELL: The modern way is in boxes, and it is becoming more popular all the time. The barrels come largely from the Maritimes. They still stick to the barrel down there, and they are not doing good packing, with the result that the boxed apples of British Columbia and elsewhere are becoming more and more popular, largely because of the quality of the fruit, but partly because the public like that kind of package. It is handier; they have to struggle and fight with a barrel too much. If you have ever taken a barrel of apples into your basement you know how awkward it is, and you know how easily a box is handled. I expect the barrel will go off the market.

Mr. SHORT: Is the department doing anything to try to educate the people to adopt the box instead of the barrel and to convince them that they could get more money for their product in that way? Does the minister not think it is the function of his department to try to educate the fruit raiser to raise the class of fruit that will sell best? If the Winesap can be raised in British Columbia, can it not be raised in Nova Scotia? If not, could they not raise one equally as good? Is it not up to the Agriculture department to try to educate the fruit grower to raise the fruit that will sell the best and obtain the best price? Is the minister doing anything in that line?

Mr MOTHERWELL: It is a somewhat delicate matter to undertake to educate the people. An hon. member from New Brunswick told me a moment ago that the Maritime people knew what they wanted and did not require a commission. We have some fifteen inspectors in the Annapolis valley; part of their work is to educate the people, and I think we are getting some results. In regard to the question of inspection particularly they seem to be managing their own affairs. Although the early grading was taken advantage of twenty years ago by the people of the Annapolis valley, they are most reluctant in the Maritimes to take advantage of shipping point inspection. I like my hon. friend's suggestion, but you have to go somewhat gently with the Maritime people when you have education in your mind. They will simply tell you that they know more about it than you do, and possibly they may be right. Not only in regard to their apples, but in regard to their vegetables and potatoes they do not seem to adopt the right method. They are losing their market for potatoes every year because of the bad packing and grading; they put goods on the market that are a discredit to them, although they have better goods if they will handle them judiciously. We have had barrels of those potatoes sent up here for personal inspection, so that we know exactly how they are getting along. When these barrels are handled roughly the potatoes are sent forward in bad condition, but if they were well handled and properly graded that could be avoided.

Mr. FOSTER: I do not want the impression to go abroad that it is difficult to educate the Maritime provinces, because I have brought to the attention of the House the fact that in no place in the United States or in Canada are more universities supported than in the Maritime provinces. Is anything being done on the experimental farms in the Maritime provinces to produce an apple which would take the place in the markets of Canada of just such fruit as we are discussing?

Mr. MOTHERWELL: I had no idea of referring to the university type of education. I do not pretend to be an authority on that point, but our farm at Kentville is devoted almost exclusively to apple development. It was located in the Annapolis district, to pay particular attention to the new varieties of apples that would be adaptable to that particular valley.

Mr. CHAPLIN (Lincoln): Is the inspection of apples for export compulsory?

Mr. MOTHERWELL: The grading?

Mr. CHAPLIN (Lincoln): Yes.

Mr. MOTHERWELL: You mean the present inspection?

Mr. CHAPLIN (Lincoln): And grading for export.

Mr. MOTHERWELL: Yes.

Mr. CHAPLIN (Lincoln): Does the same apply to apples used for home consumption?

Mr. MOTHERWELL: Yes.

Mr. CHAPLIN (Lincoln): A great deal of improvement in the inspection is required. The money spent is wasted.

Mr. MOTHERWELL: If my hon. friend was listening to what I was endeavouring to say, this is the old method, adopted first—

Mr. CHAPLIN (Lincoln): Well, get a new method.

Mr. MOTHERWELL: The new method is here.

Mr. CHAPLIN (Lincoln): Do not spend so much money.

Mr. MOTHERWELL: It consists of inspection at the shipping point, at the request of the shipper, for which he pays $5 a car. The next step will be the compulsory grading of fruit for export. That is the procedure we took in regard to dairy products and many other products, and we hope to take the same procedure with reference to fruit. You have to get the people familiarized with these changes; they will not adopt them all at once. You cannot change the methods which have been in use by people for fifty years. You must do it gradually.

Mr. CHAPLIN (Lincoln): You are starting at the wrong end. We had better inspect the products for home use. The present method shows the reason why hon. members cannot get good cheese in this House.

Mr. MOTHERWELL: I hope my hon. friend holds the same views with regard to the grading of eggs.

Mr. CHAPLIN (Lincoln): Does the minister refer to the Chinese variety?

Mr. MOTHERWELL: They are all out now.

Mr. ARMSTRONG (Lambton): How many inspectors are there in Ontario, and what are they paid in the way of expenses and salaries?

Mr. MOTHERWELL: There are twenty-six inspectors for the whole of Ontario, most of them, I understand, west of Toronto. The average salary is $1,600.

Mr. ARMSTRONG (Lambton): With an average of about $1,000 for expenses.

Mr. MOTHERWELL: Very often the expenses come to more than the salary in giving an inspection service. We have in our employ officers whose expenses come to more than their salaries.

Mr. McGIBBON: I think the minister contradicted himself. In answer to the hon. member for Lincoln (Mr. Chaplin) he said that inspection was compulsory. A few minutes afterwards he said that it was optional or done on request.

Mr. MOTHERWELL: That would seem to be contradictory. Grading by the packer, as he himself puts up his apples in the box or barrel or whatever it is, is compulsory and has been for many years, but my hon. friend will realize that it is not a very good method. That is the method that has been practised for the last twenty years and while it is better than no method at all, inasmuch as the owner is partial to his own product, he is apt to overgrade it. We have adopted a new plan of giving governmental shipping-point inspection on application by the shipper. That is optional. It started in British Columbia and it has extended to the Niagara peninsula. It has not yet extended to the Maritime provinces as they have not asked for it. Very soon it should be made compulsory as the other method is not satisfactory.

Mr. McGIBBON: Is it not compulsory for export trade?

[Mr. Motherwell.]

Mr. MOTHERWELL: No. Very general use is being made of it in British Columbia.

Mr. FOSTER: I am delighted to find that the minister is paying some attention to inspection. Does he not think an inspector of apples, once he has demonstrated over a period of years his usefulness in the field of inspection, ought to be left there from year to year provided that nothing happens in his career that is in violation of the law, or does he think he should be removed simply because in the performance of his duty he finds it necessary to take somebody into court and have a fine imposed upon him? If we are going to have inspectors removed from year to year for political reasons, or if because he brings into court somebody who has been favourable to the government in power, a political supporter or something of that sort, the inspector's scalp must be had forthwith and somebody else put in his place, I am sure the minister will agree that his inspection, however much he may desire it to be effective, will suffer very materially. I am asking if the minister does not concur in the general view that an inspector ought to remain if he has demonstrated his usefulness in that field.

Apropos of that I have in my hand the Auditor General's report for 1921, which is the last year the old government was in power, and I notice the names of a number of men whom I knew personally as being very effective in the matter of inspection of fruit in the Maritime provinces. I find that shortly after this government came into power those men were removed from their positions as inspectors and new men put into their place who had practically no knowledge of the act and certainly no qualifications that were superior to those of the men whom they superseded except that they were supporters of the incoming government. In connection with the inspection of fruit inspectors are placed in a district remaining there for a number of years and learning the routine. I may tell the minister that these men were appointed in the years preceding 1921—not from a political standpoint, because we wished to have on the force men of both shades of politics. It was our view to get men who were familiar with the fruit industry and who had some common sense in the administration of the act and the regulations of the department. Those are exceedingly important qualifications, and we had men of that character, some of them returned soldiers. Some of these men have been let out of their positions and others brought in who certainly, so far as I am

5 p.m.

aware, have no greater qualifications in the matter of the inspection of fruit. I draw this to the attention of the minister because he should have an eye single to the proper inspection of fruit. Fruit growing is an important industry in the province from which I come; on an average more than 1,500,000 barrels go to the Old Country annually from that part of the country. Whether or not the minister applies this terminal inspection he speaks about to the Maritimes later on is a subject for consideration and study; but while he is utilizing the system that he has now I feel sure that he ought to welcome some suggestions before changes are being made in the officers who are to be employed for that purpose.

Is it the policy of the Department of Agriculture to grant special brands to certain apple growers in the Maritime provinces or any other part of Canada, and can the minister tell us to whom these special brands have been given?

Mr. MOTHERWELL: In any grading system we permit those who have built up a trade under a certain brand to use their brand, but they must put the government grade on the container, whatever it may be.

With regard to allocation of inspectors, when I took charge of this branch I found out that these inspectors were religiously allocated to the actual constituencies in Nova Scotia, each constituency's boundary being as religiously observed as if it were a provincial boundary. What had been in the past had to continue to be. An estimate was made of the total number of barrels of production in each county and on that basis inspectors were appointed. For instance Lunenburg got one inspector, Digby-Annapolis got four or five. Kings, which was separate then, got the most, because I think it was the largest producer. Hants got fewer, because its production was smaller. We observed that with religious regard, because we felt it was the practice. My recollection is that over all the constituencies there was an average reduction of two men. That is, a constituency that had seven in the old days would have the number reduced to five, and the numbers in the other constituencies would be reduced proportionately.

As regards moving the inspectors, there are always, of course, some chief inspectors whose duty it is to go about in an inspectional and educational way to see that the other inspectors are performing their duties properly. But my hon. friend knows that these inspectors, like all the others, are appointed by the Civil Service Commission, and the commission also classifies them and sets their salaries. If my hon. friend will let me know how to get past the commission I shall be obliged, because sometimes I should like to have another way of making the appointments; but we have to regard the law. I believe the commission is doing its duty under the Civil Service Act, and if anyone has any complaint it must be against the act itself. We can and did make reductions in the number of inspectors in each of these ridings three or four years ago, but any new appointments were made by the commission. If some of these new appointees happen to be Liberals they never so reported to me; on the contrary, we have been constantly told that there are too many Tories in the service.

Mr. FOSTER: I can tell the minister that he has been misinformed.

Mr. MOTHERWELL: I am delighted to find that it is not true.

Mr. STIRLING: Mr. Chairman, the minister referred just now to the fact that optional inspection at point of shipment has made considerable strides in British Columbia. I should like him to emphasize, if he will, that the cost falls on the grower. I think I am right in saying that the government is entirely recouped for the cost of inspection.

Mr. MOTHERWELL: That is right, $5 a car.

Mr. STIRLING: I think his deputy will be ready to admit that the result to the public in the more perfect grading of the British Columbia fruit is extremely satisfactory—

Mr. MOTHERWELL: Hear, hear.

Mr. STIRLING: —and that it is living up to the grade more truly year by year. The member for York-Sunbury a short time ago referred to the cost of shipping by express. That is a very sore point with the fruit shippers of British Columbia. The Board of Railway Commissioners held an inquiry two or three years ago, and we are still without their finding. I know the minister cannot answer for the doings of the railway commission, but could he assure us that his department has taken or will take steps to ascertain what is holding up the board's decision and when we are likely to receive it?

Mr. MOTHERWELL: I understand that our officers have been working on the freight and express rates for some time, and that we are supporting by every effort at our disposal the wishes and the interests of the fruit growers in British Columbia. There is no question

that both freight rates and express rates are very urgent matters with the British Columbia growers. I do not know whether or not my hon. friend was in his seat when I gave all credit to British Columbia for taking the initiative in shipping point inspection. I hope all the rest of Canada will follow suit. My hon. friend probably noticed my reply to a series of questions put by another hon. member, that it is the policy of the government, as soon as any grading service is recognized to be of sufficient value to those getting the service, to make a charge for it. That is the general practice in Australia and New Zealand and it is very satisfactory. We find the growers in British Columbia are voluntarily coming forward and asking for this service. It is high time that it was applied to other fruits.

Mr. BLACK (Halifax): How many inspectors are there in Nova Scotia, and what salaries do they receive?

Mr. MOTHERWELL: I gave this information before, but possibly my hon. friend was not in his seat. There are fifteen inspectors, including the chief district inspector, Mr. Vroom. And by the way, for the benefit of the hon. member for Hants-Kings (Mr. Foster), here is one man who has been in that position as long as I can recall. I wish we had had the appointment of him, as my hon. friend intimates. The chief inspector gets $2,400, and the salaries of the other inspectors range from $1,600 to $1,980, depending upon their salary range; they start low and go up year by year.

Mr. BLACK (Halifax): What inspection do those inspectors attend to during June and July, for instance?

Mr. MOTHERWELL: Three are yearly and the others are seasonal, extending over six or seven months, depending on whether the season opens early or late.

Mr. BLACK (Halifax): Those are paid only for the six or seven months they work?

Mr. MOTHERWELL: The salaries run from $135 to $155 a month. They are all paid by the month. Three are on for the entire year, the others are engaged from six to seven months, depending on the season.

Mr. MILLAR: Is any record kept of the number of inspections made by each of the inspectors?

Mr. MOTHERWELL: Yes.

Mr. BLACK (Halifax): What is the process of inspection at the point of shipment?

[Mr. Motherwell.]

Mr. MOTHERWELL: The people interested make application before the harvest, and we in turn make application to the Civil Service Commission so we will have the inspectors ready for the inspection of apples or whatever other fruit is being handled. Your fruit growers in the Annapolis valley would have to make known their wishes to the department well ahead of time.

Mr. BLACK (Halifax): What is the process of inspecting a carload of apples at the point of shipment?

Mr. MOTHERWELL: I saw some apples being inspected at Halifax. The inspector knocked off the top and then loosened the staves, sometimes removing a stave, and inspected the apples by a sectional view that he thus obtained of the entire barrel. If the mark placed on the barrel by the grower is not accurate, the inspector marks the grade correctly. At the first inspection he examines about one barrel in every ten to get an idea of the quality of the carload. If the inspection discloses a poor grade he will examine more barrels. I suppose if he finds the apples sufficiently below grade, he does not mark the barrel at all. It depends upon how badly the apples are packed.

Mr. BLACK (Halifax): If that is the process, I am not surprised that our apples arrive in the British market in very, very bad condition.

Mr. MOTHERWELL: The Maritime apples are good apples, but they are not handled as well as are the products of orchards in other parts of Canada.

Mr. CHAPLIN (Lincoln): By the inspectors?

Mr. MOTHERWELL: I hope the inspectors there are just as good as they are in any other part of the country.

Mr. BLACK (Halifax): I endorse what my hon. friend from Lincoln has said. It is extremely difficult to obtain a barrel of No. 1 apples in Halifax at any time of year. I do not know what the reason is, whether the inspectors are at fault or not. All I know is that we have to buy foreign fruit for quality.

Mr. MOTHERWELL: This department is not growing fruit.

Mr. CANTLEY: I understood the minister to say that the top of the barrel was taken off, that the hoops were removed or loosened, and a stave taken out. I am puzzled to know how you get the stave back.

Mr. MOTHERWELL: If you spring the staves enough you can see into the barrel without taking it apart entirely. When you are opening a gate you do not need to push it the whole way. The staves of the barrel are loosened when some of the hoops are removed.

Mr. CANTLEY: But if you do not take out any of the staves how can you examine the fruit, as the minister said the inspector did?

Mr. MOTHERWELL: From the bottom you can look into the barrel.

Mr. CANTLEY: Would it not be better to inspect the fruit at the place of packing?

Mr. MOTHERWELL: That is what is done now.

Mr. CANTLEY: The minister said before that the inspection was done on the pier at Halifax before shipment. Which statement is correct.

Mr. MOTHERWELL: The optional inspection is done at the point of shipment, but the compulsory inspection by the owner which has long been in force takes place at the orchard. And as we are all more or less partial to our own there is a temptation to grade the fruit too high.

Mr. CANTLEY: But the minister told us that there was no compulsory inspection at all.

Mr. MOTHERWELL: I merely used the wrong word; instead of inspection I should have said grading. The compulsory grading is done now, as it has been done for twenty years, right at the orchard, and it has not proved satisfactory. We have taken a step forward now, following British Columbia. They asked for shipping point inspection by the government and offered to pay for the service.

Mr. FOSTER: The minister surely did not mean to say that in the process of inspecting a barrel of apples they would take a stave out, because that is an utter impossibility. They take the top hoops off and the head out and turn the barrel upside down, letting the fruit roll out, but it is impossible to take a stave out and put it back after they have inspected the contents.

Mr. MOTHERWELL: Possibly I did not make myself heard. If you take some of the hoops off can you not spring the staves, and so see nearly to the bottom of the barrel?

Mr. FOSTER: I refer to this matter for the minister's own sake. If any of the people who know anything about apples should happen to read in Hansard what the minister has said, they would have a poorer opinion of this discussion than they would otherwise form. I merely want to save the minister embarrassment. However, the point I want to bring to the minister's attention is this: I asked him a moment ago a question to which he replied rather cursorily regarding the use of brands. There are certain growers who apply to some department or branch of the government in Ottawa and obtain the privilege of using a particular brand on their barrels. I have in mind the case of a grower who uses the Mayflower brand, and not only on barrels in which are packed apples grown in the grower's own orchard, but on barrels containing apples produced in other parts of the country that brand appears. The growers farm out the privilege of using that particular brand, allowing various producers throughout the country to make use of it at five, seven or ten cents per barrel. Why cannot each grower apply to the proper authorities in Ottawa for permission to use a brand of his own? If the grading 1, 2, 3, or (a), (b) and so on, whatever the nomenclature employed, is to be supplemented by a particular brand called the Mayflower or anything else you like, why should the privilege be restricted to one or two people who happen to be supporters of this administration and who farm the brand out at so much per barrel?

Mr. MOTHERWELL: I have already explained that when we introduced the grading system we allowed private growers who had built up a trade under a certain brand to continue the use of that brand, with which their customers had become familiar. And it would be a hardship to prevent them from so distinguishing their apples or other fruit. It does no one any harm and does them good. They may have the brand patented, but with that we have nothing to do. We merely give the grower permission to stamp the grade on the barrel. As to the barrel itself, the suggestion is made that it would do merely to take the top off. That is not sufficient, for it would reveal only the top layer. You must do more than that. I do not dispute my hon. friend's knowledge of barrels in general and their contents, but I persist that, if you take the hoops off, the staves will come out.

Mr. FOSTER: The minister does not appreciate the point I am making, and I shall have to be specific. A certain grower

is using the Mayflower brand, and that brand appears on barrels in which are packed not only the apples grown in his own orchard, but apples produced by other growers in various places, the packing of which he does not see, and the inspection of which he knows nothing about. The use of that brand undoubtedly enhances the price of all such apples; otherwise these various growers would not pay for the privilege of using it. I want to know why the same privilege should not be extended to every grower in Nova Scotia.

Mr. MOTHERWELL: The use of the brand is something over which we have no authority. We simply give permission to the growers to specify the grading provided under the act, and if they want to supplement that by the use of a particular brand they are at liberty to do so.

Mr. FOSTER: Does the department grant to some growers the privilege of using a brand, and withhold it from others?

Mr. MOTHERWELL: No; we would not do anything like that.

Mr. ANDERSON (Halton): What are the names of the inspectors in the Niagara peninsula? While that information is being looked up I want to know what action has been taken in assisting fruit growers in that section of the country in the marketing of small fruits to distant points in summer. Growers in that part of the country have no refrigerator accommodation for the shipment of small fruit to Montreal or northern Ontario, so that they find it almost impossible to place their produce on those markets in good condition. They have not been able to get that accommodation from the railways.

Mr. MOTHERWELL: The Grimsby plant does a very extensive icing business, manufacturing their own ice for the preservation of perishable fruit. Possibly there is not sufficient ice available for the entire service, however. This is a matter that does not come under my department; it pertains to the railway service and might be taken up in the consideration of the express problem. The question might be looked into of providing adequate refrigerator service to meet the requirements of early harvest shipments when there is a rush. By putting it in storage at that Grimsby plant, the marketing season is strung out, and that glut of the market of which my hon. friend complains is avoided.

Mr. ANDERSON (Halton): I was concerned more particularly with the fruit growers in my own constituency who are not near Grimsby, and who ship their small fruits to Toronto, Montreal and northern Ontario. They have no facilities whatever for chilling their fruit before it is shipped, and they have made application to the railways. I was wondering if the minister could not assist them in making some provision for refrigerator cars to take their fruit to the cities. They are not near Grimsby at all, and have no facilities for chilling.

Mr. MOTHERWELL: There is a certain service being supplied to take the place of that. Tests are being continued in the value of using fans to accelerate circulation, in loaded refrigerators, of berries, an alternative to pre-cooling where facilities are not available. The results depend greatly on the shippers' readiness to adapt their deliveries and loading practices.

The blower ventilated express cars for fruit developed by the Canadian National Railways with our co-operation in 1924 were again in service in the past season with minor improvements. This is perhaps the greatest advance in equipment of recent years, affecting as it does a heavy volume in carlots over the Canadian National railway throughout Ontario as far east as Halifax and west to Port Arthur and Winnipeg. These cars were introduced into British Columbia also this past season, and proved popular with tender fruit shippers in the Fraser valley to Edmonton and beyond. An indirect benefit is that the Dominion Express Company are developinw a new car along the same lines for their blower ventilated services in the west.

Apparently the requirements of the trade have gone far beyond the icing facilities, and this method has been adopted.

Mr. ANDERSON (Halton): Has the minister any description of this car?

Mr. MOTHERWELL: No, and I have not seen it at work, but it is giving pretty satisfactory results, and they are continuing to use it.

Mr. ANDERSON (Halton): I would like to have the names of the inspectors in that section of Wentworth and Halton between Hamilton and Toronto.

Mr. MOTHERWELL: The three inspectors for that district are J. F. Carpenter, Fruitland, Ontario; J. E. Jarvis, Burlington, Ontario, and H. C. Sheppard, Queenston, Ontario.

Mr. MORAND: How much is being spent at Leamington for the establishment of this

warehouse for the storage of onions? When was the warehouse started, or has it been started yet?

Mr. MOTHERWELL: I understand that $19,000 has been spent on it, but I have not the information with me as that comes under Public Works. I understand that a similar expenditure is being made at Erie. The warehouse at Leamington is now finished, but the season for using it is past, so far as this year is concerned, but it will be ready for use in the coming season.

Mr. MORAND: At whose request was it built?

Mr. MOTHERWELL: At the request of the co-operative association—I forget its exact name—of the onion growers of that district. A deputation came here and interviewed us with regard to the building of an onion storage warehouse.

Mr. MORAND: When did it become necessary to have onion storage?

Mr. MOTHERWELL: I think it has been necessary all along. The same thing has been adopted just recently in the United States, with very beneficial results. The onion is far more difficult to store and preserve than possibly any other vegetable. It has to be well dried and kept in a cool place, with the temperature as low as possible so long as it does not freeze. The onions have to be kept in crates or racks, where they will be cool and dry. In Massachusetts and other states where they grow onions they have established onion warehouses for taking care of the onions during the rush period, rather than putting the whole crop on the market at once.

Mr. MORAND: Will the growers of the onions be charged for storage of their onions?

Mr. MOTHERWELL: I would think so Perhaps there will be a small storage fee, as there is in connection with our grain storage elevators. That point has not been taken up with the growers' association yet, but that is the intention.

Mr. MORAND: What was the value of the onions we imported last year?

Mr. MOTHERWELL: I cannot say what the importations were from all countries but we imported over 6,000 cases, or about four or five carloads, from Bermuda.

Mr. MORAND: That is in 1925?

Mr. MOTHERWELL: Yes.

Mr. MORAND: Have the imports been growing from year to year?

Mr. MOTHERWELL: Our imports from Bermuda have been falling as our own production has increased.

Mr. ANDERSON (Halton): What success have the dehydrating plants had?

Mr. MOTHERWELL: We have a special vote for dehydrating, which we shall come to later. There was some criticism in some quarters of the House last year as to continuing that vote indefinitely, but now that a commercial plant has been started in the Annapolis valley this year, somewhere beyond Kentville, the vote is slightly reduced. The plant I understand is succeeding very well, particularly for the first year. There are also one or two smaller plants in the Okanagan valley. We are continuing the dehydrating experiments.

Mr. NICHOLSON: I take it that under this vote provision is made for the salaries of fruit inspectors. Would the minister tell us whether these inspectors have fixed localities within which they do their work, or do they travel from county to county, or from province to province?

Mr. MOTHERWELL: The chief inspector travels from place to place supervising the work done by the other inspectors. He has his headquarters, and operates in the territory tributary to it. The other inspectors travel within their respective districts. In the Maritimes, as I mentioned a while ago, all but the chief inspector stay within the limits of their several districts. I do not think the inspectors are quite as strictly circumscribed in Ontario, because there the orchards are more scattered and consequently the activities of the inspector extend over a greater area. Speaking generally they work within a certain radius. The chief inspector, of course, travels about a great deal more.

Mr. NICHOLSON: How are these inspectors paid? Upon what basis is their remuneration fixed?

Mr. MOTHERWELL: The Civil Service Commission sets the scale, which ranges from $135 to $150 a month. When they are employed by the year the salary is on a graduated scale, providing for a certain increase until they attain the maximum.

Mr. NICHOLSON: Does the Civil Service Commission fix the rate allowed for expenses also, or must the inspectors pay their own expenses?

Mr. MOTHERWELL: The Civil Service Commission, thank God, have only to do with

the making of appointments and the classification, which involves, of course, the salary. They do not pretend to go so far as to fix the expenses.

Mr. NICHOLSON: My reason for asking the question is because I find that in very many cases the expense account of these fruit inspectors is practically equal to the salary which they receive.

Mr. MOTHERWELL: I know cases where the expenses are more.

Mr. NICHOLSON: That is the point. If the inspector is appointed for a specific location and does not have to pay for a great deal of railway transportation, how is the expense account made up?

Mr. MOTHERWELL: He can spend a great deal in motor car service.

Mr. NICHOLSON: Yes, of course, we all can do that.

Mr. MOTHERWELL: We keep a pretty close check of their expenses.

Mr. CHAPLIN (Lincoln): Do they provide luncheons for people?

Mr. CANTLEY: I understood the minister to say that the forms of inspection were carried out religiously. Will he inform the committee who officiates on those occasions?

Mr. HARRIS: Will the minister be good enough to tell us what the functions of the Canadian Horticultural Council are? A grant to this body has been appearing in the estimates for several years. Will the minister also tell us something about the activities of the National Dairy Council? If the Chairman holds that I am wandering from the subject, let me remind him that an understanding was reached that we could discuss other items in connection with this particular vote.

Mr. MOTHERWELL: The Horticultural council is an organization consisting of provincial representatives whose duty it is to look after the interests of the fruit and vegetable growers of Canada. The names of those representatives are as follows:

President, E. B. Luke.
New Brunswick, W. W. Hubbard.
Nova Scotia, F. W. Bishop.
Quebec, J. H. Lavoie.
Ontario, Colonel Roberts, C. W. Baxter.
Manitoba, Professor Broderick.
Alberta, H. C. Stockton.
Saskatchewan, Dr. Patterson.
British Columbia, J. T. Mutrie, L. E. Taylor.
Secretary, Mr. Burrows.

[Mr. Motherwell.]

The organization makes representations when questions arise with respect to the interests of the fruit and vegetable growers on the British market. This sometimes happens. For instance it occurred in connection with the sittings of the Imperial Marketing Committee. On such occasions the organization make representations to the federal government, or whatever government may be concerned, on behalf of those whom they represent, whether it be touching freight rates, express rates, or marketing on the other side; or it may be questions affecting grading or inspection in this country. The council has adopted a system for registering new vegetables, or new plants or fruit, that may be developed by any specialist. This is the first time such a system has been adopted in this country, or for that matter on this continent. If we have a Burbank in Canada, and we have such an authority, his discoveries are recorded and registered just as carefully as the pedigrees of live stock. Take the case of the McIntosh apple, for example. That discovery was a great find not only for Ontario but for Canada as a whole. Such developments as that are registered by this organization. We have made a start in a very important work, the tendency of which is to encourage investigations in the field of scientific research in connection with new varieties of fruits and vegetables.

Mr. HARRIS: The minister spoke about the secretary of this organization. Where is his office?

Mr. MOTHERWELL: In Ottawa. Mr. Burrows used to be a member of the Fruit branch but he resigned that office and now has charge of this work.

Mr. HARRIS: I wish to make one or two observations in connection with this vote. First of all I should like to allude to the many branches which are springing into existence in the Department of Agriculture. Any hon. gentleman who examines the estimates will find grants of various kinds for many different institutions. Now, I think the committee will support me in the statement that some of these merely serve the purpose of establishing some secretary in an office, either here in Ottawa or elsewhere, and about all he does is to draw his salary, draw his breath, and make sure that the government will place a sufficient amount in the estimates each year to maintain the organization alive. In the next place I wish the minister to give us some additional information in regard to the National Dairy Council. In that connection he will perhaps explain why the department

have seen fit to raise the grant to this organization from $3,000 to $5,000. Who comprise the National Dairy Council; where do they get their funds, where is their office, if they have one; who is the secretary; why does his name not appear in the telephone directory of this city, seeing that he is supposed to be located in Ottawa; and what functions does the organization perform of such general advantage to Canada that the department thinks an increase of $2,000 is necessary?

Mr. MOTHERWELL: The committee will recall that I gave a specific assurance to the hon. member for Victoria and the right hon. leader of the opposition that opportunity would be given to review the dairy vote fully in connection with the live stock vote. I do not think we should mix up other matters with the present vote.

Mr. CHAPLIN (Lincoln): That was not the understanding. The understanding was that we could refer to this matter again on any particular vote that would come up.

Mr. MOTHERWELL: All right, but I wished the hon. member for Victoria to recall the understanding. It is quite possible that some hon. members are not present who wanted to hear the remainder of the discussion in question, and that they are under the impression it will take place in connection with the live stock vote.

With regard to the Horticultural council, if my hon. friend (Mr. Harris) will look up the estimates of three or four years ago, or any year prior to last year, he will find that a lot of these special votes were included under the heading "Miscellaneous" at the end of the estimates. I think last year was the first year in which it was incorporated in the general vote. Instead of there being more of this class of vote than there was three or four years ago, there is very much less. There was almost an interminable list of all kinds of grants and votes at the end of the estimates that went through in the early hours of the morning with no discussion at all. That was sometimes very convenient; perhaps it would be better if we had them there at present. Some of them are eliminated altogether, while others are included in the vote that was nearest to the objective of the special vote. For instance, the Dairy council vote was hooked up with the dairy vote. The Horticultural council vote was hooked up with the fruit vote, as being allied to it. Now, instead of being an extra expense, it can be seen that that expense is taken out of the general vote, and not added to it by a supplemental amount at the end of the estimates. It is more apt to cause some discussion where it is, and if that is desired then it is better where it is. If you want no discussion, put it back where it was; it will cost the country that much more, and it will not be noticed, because there is very seldom any discussion of it. Both these organizations are doing very useful work. It is not at all as if the purpose were to provide salaries for this man, that man or the other. Mr. Burrows could have remained where he was if he desired, but he preferred to go to the other organization, and they are laying a foundation for work of the nature I have described, which has never before been initiated, certainly not in Canada, and very seldom in the United States.

Mr. CHAPLIN (Lincoln): The minister says that if you look back in the estimates you will find certain things; you will find that one vote takes in a whole lot of others. I have my hands on the estimates of 1924-25. I find that each individual item in the agricultural vote, beginning with the item No. 40 and running down to 54, is identically the same, and I cannot find the item he refers to.

Mr. MOTHERWELL: Does the fruit vote include the Horticultural council?

Mr. CHAPLIN (Lincoln): No, the fruit vote is there.

Mr. MOTHERWELL: The Horticultural council vote is in the back of the estimates, under Miscellaneous.

Mr. CHAPLIN (Lincoln): What page is that?

Mr. MOTHERWELL: I have not the page before me. I shall be glad to supply the information.

Mr. CHAPLIN (Lincoln): The vote for 1924-25 is $5,850,000, without the supplementaries he speaks of; so that the amount is there anyway. If there is anything extra the minister is not telling us exactly the truth.

Mr. MOTHERWELL: My hon. friend should not say that until he assures himself what the estimates are. I have not all the estimates before me, but I have a faint recollection—

Mr. CHAPLIN (Lincoln): I have under my hand the estimates of 1924-25. The total amounts to $5,850,000 and the year before, $17,119,000, without the item to which the minister refers. Now he says if you add the other items you will have far more.

Mr. MOTHERWELL: Does the hon. member mean to say that a small item like that would determine the total?

Mr. CHAPLIN (Lincoln): The minister told us a few minutes ago that all these items added together would amount to a considerable sum.

Mr. MOTHERWELL: The fact that my hon. friend cannot find that item there is evidence that what I said is correct. Neither the Canadian Horticultural Council nor the National Dairy Council vote was hooked up with the main agricultural vote. Neither of these votes was included in the main estimates prior to last year. Look under Miscellaneous and see if it is not there. I do not carry these matters in my mind for years. I say those votes were there and I do not know how long they have been there. They were there long before I had anything to do with them, but I am not excusing myself on that account; I have been pleased to continue them. I think these organizations are doing good work.

Mr. CHAPLIN (Lincoln): I do not find them under Agriculture.

Mr. MOTHERWELL: Well, under Miscellaneous.

Mr. HARRIS: The vote for this Canadian Horticultural Council, true enough, is in the 1925-26 estimates under Agriculture, and the minister tells us it was not under that item in 1924-25, that it was under Miscellaneous. But we also note that the total vote asked for under the agricultural estimates for last year was increased by $18,000, the $8,000, I presume, being accounted for by the transfer of that estimate to general Agricultural vote. It was not absorbed, as the minister was wont to let this committee understand, by the general vote.

Mr. MOTHERWELL: Oh, yes.

Mr. HARRIS: Well, there is the record in the 1925-26 estimates.

Mr. MOTHERWELL: What about the reduction this year of over $90,000?

Mr. HARRIS: There is an increase of $18,000 on that particular vote, and for the minister to tell the committee that he is absorbing all this grant in his general estimates, or the one that is next of kin to the grant, is all humbug.

Mr. MOTHERWELL: I know how these estimates were got up; I know we are absorbing these items and I know it is questionable whether we should absorb them It is just making the vote for horticulture and fruit that much less. We had our vote exclusive of these two items prior to last year; so that by eliminating a lot of the miscellaneous grants my hon. friend refers to and hooking them up with the main vote, we do economize to that extent—not in service, but in the amount of money expended under that vote.

Mr. HARRIS: I should like to make an observation with regard to the minister's economy. The vote in 1924-25 for this very item was $182,000, and for 1925-26 it was $200,000, an increase of $18,000. The vote we are asked to pass in this committee at this stage is also $200,000. If the minister could tell us how he is economizing by increasing this vote from $182,000 to $200,000, and also substantiate the statement he made a moment ago that his policy is to absorb as much as possible these grants in the general estimates, he will be doing a service to the committee.

Mr. MOTHERWELL: It is absorbed.

Mr. TOLMIE: I understand that the manufacturers of grape wine receive a rebate on their importations of sugar from outside points when the sugar is used in the manufacture of wine. Out in British Columbia we have created a very important industry known as the loganberry industry. The longanberry grows very well in that country, yields heavily to the acre and is a good revenue producer to the farmer. In view of the fact that there is a large and developing market for wine made from loganberries we are shipping wine across the Pacific to China and Japan, where a taste is being created for it in addition to the good work it is doing in British Columbia and other parts of Canada, has the rebate which has been enjoyed by the grape wine producers been extended to the loganberry producers on these shipments?

Mr. MOTHERWELL: I am sure I do not know. The Minister of Finance (Mr. Robb) is not present. I will inquire.

Mr. TOLMIE: In regard to the marks that are placed on cars of fruit inspected for export, is any government mark placed on those particular shipments to indicate that they have passed inspection?

Mr. MOTHERWELL: Does my hon friend mean on the car itself?

Mr. TOLMIE: No, on the packages.

Mr. MOTHERWELL: It will be marked on the shipping bill, and the cars themselves are sealed like most other cars. I understand there is a special stamp for the packages in addition to the mark on the shipping bill.

Mr. TOLMIE: What is the legend?

Mr. MOTHERWELL: I do not know.

Mr. TOLMIE: Is it the usual one used on bacon?

Mr. MOTHERWELL: It will not be "Canada approved" I suppose, but it will be much the same, indicative of government inspection.

Mr. TOLMIE: I would suggest to the minister—and I have recommended this on one or two previous occasions—that just as quickly as we can standardize these products of ours for export we should adopt a standard stamp for all of them, indicating their quality and that they are Canadian products.

Mr. MOTHERWELL: In the two recent conferences we have had regarding butter and cheese boxes it has been decided that the word "Canada" shall be conspiciously displayed on all containers.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. TOLMIE: Mr. Chairman, I should like to ask the minister what grades of apples are most popular in the British market.

Mr. MOTHERWELL: Replying to a question put by the hon. member for Victoria (Mr. Tolmie) before dinner, I am informed that the total export of apples has remained almost stationary at about two million barrels per annum. There was a five per cent decrease this year, due largely, I think, to the very early frost of last October that rendered a lot of Ontario apples useless for export. As to the most popular grade in the British market, as a rule the people in the Old Country prefer the high grade apples of British Columbia. But I do not want to be misunderstood with regard to Nova Scotia apples; if they were as well taken care of in the process of packing as those of British Columbia and received shipping point inspection, I think they would regain their past reputation. Unfortunately, there is a little carelessness in packing practised by some exporters with the hope of "getting away" with it. In fact, whether it be wheat, apples, or any other commodity, there is a disposition to try to get past the official grader with something that is not quite up to grade. Therefore, all grading has to be done very carefully. To the extent that exporters are careless in maintaining their grades they tend to destroy whatever reputation their commodity may have on the British market.

Mr. TOLMIE: Does the minister include boxes among the barrels he quoted?

Mr. MOTHERWELL: Yes, the total export is reduced to terms of barrels.

Mr. TOLMIE: I understand the minister to say that No. 1 apples are in greater demand than No. 2.

Mr. MOTHERWELL: That is my information.

Mr. TOLMIE: Do the higher priced No. 1 apples meet the demand of the poorer class of consumers?

Mr. MOTHERWELL: I would not think so, for very frequently they buy the cheaper article. That is the reason why sometimes they prefer a mixed lot, for it enables the parents of large families to distribute a small apple to each child.

Mr. TOLMIE: I understand that in Scotch families, which are usually large, they prefer the No. 2 grade because the smaller size gives them a greater number of apples, which enables the parents to distribute an apple apiece among their children. What measures are being taken by the government to advertise our agricultural products in reat Britain? With the high tariff in the United States, the Old Country affords us our principal opportunity to sell our surplus, and I think it is very necessary to bring to the attention of the British people the fine quality of our bacon, ham, fruit, dairy products, and so forth, the better to enable us to compete with our sister dominions and with Denmark, Holland and other countries. What is being done in this direction, or is it left entirely to private enterprise?

Mr. MOTHERWELL: We have various ways of advertising our products. The Canadian Fruit Show that has been held in England annually for the last four years has helped to advertise our apples, and we advertise in two or three British publications. But I think we got the best advertising results with the least expenditure of money at a

dinner in the Hotel Cecil, held under the auspices of our agricultural representative in Great Britain. All the courses consisted of Canadian-grown products, and as the two or three hundred guests were leaving—

Mr. DUNNING: What about the wine?

Mr. MOTHERWELL: If I remember rightly it was Ontario wine, but I do not know whether that would satisfy the British taste. Anyway, they smoked our Canadian cigars. As the guests were leaving, each was given a hamper with samples of all those Canadian-grown products. These hampers they took home to their wives, sisters or sweethearts, as the case might be, and the advertising effect was excellent. As a matter of fact we got a number of unsolicited compliments on its effectiveness. During the Wembley exhibition we had our products placed on the menu cards of the restaurants within the exhibition grounds, and of those throughout London operated by the Lyons Company.

Mr. McGIBBON: What brands of liquid refreshments did they dispense?

Mr. MOTHERWELL: It has been suggested that the native wines of Ontario were given the place of honour.

Mr. TOLMIE: I am glad to hear that the minister has adopted this method of bringing our Canadian products before the people of Great Britain. He has said something about sweethearts. I do not know of any better way of winning sweethearts in England than by tempting them with a few Okanagan apples. What periodicals or newspapers does the department advertise in, and to what extent?

Mr. MOTHERWELL: We have some small advertisements in Canada, The Canadian Export Pioneer, and we also advertise in the Canadian Gazette. Of course, advertising in newspapers cannot compare with the advertising that our producers get by delivering the goods, and in any case it is rather an expensive business carrying advertisements on any large scale in magazines and periodicals. Our cheese was exceedingly well advertised at Wembley through the menu cards of the restaurants, and especially through the Lyons Company, for almost a year. Its reputation has been so enhanced as to be almost at its pre-war eminence.

Mr. TOLMIE: Now that the Wembley exhibition is over, does the department intend to exhibit at the Royal Show in Great Britain?

[Mr. Motherwell.]

Mr. MOTHERWELL: That, I understand, is a perambulating affair.

Mr. DUNNING: The show is held in a different place each year.

Mr. MOTHERWELL: While it is important that we should be advertised at these fairs, we must at the same time be governed by the amount of money at our disposal. We exhibit at the London dairy show, which embraces not only dairy products proper but bacon, eggs and so on.

Mr. TOLMIE: I am glad that the minister intends to continue advertising in this way. There is this point to be emphasized however: if we are going to exhibit our products in Great Britain we should see to it that they are equal to or, preferably, better than those shown by the other dominions. On one occasion when I was in the Old Country I noticed at the Royal Show that while Canada's exhibit did not convey anything like an adequate idea of what this country could produce, South Africa had a wonderful display which attracted considerable attention and which was crowded all the time. Such an exhibit as ours in competition with the magnificent exhibits of South Africa and Australia can only do us harm rather than good. If we are going to exhibit at all we should do it fairly well.

Mr. MOTHERWELL: That is right. Our Toronto packers, I am pleased to say, for the last two years in succession have taken the highest award in bacon.

Mr. SUTHERLAND (North Oxford): I understand that year before last representations were made to the minister regarding the necessity for standardizing turnips. This is an important product in my section. I believe that a number of inspections were made with the idea of arriving at some standard rules to govern the grading of this vegetable. Has anything been done in that direction?

Mr. MOTHERWELL: I have no recollection of the matter.

Mr. SUTHERLAND (North Oxford): Perhaps the minister will recall it if I read a brief paragraph from his report ending March 31, 1925:

A service along the above lines, but for educational purposes, by our regular staff, was provided as an experiment on request of the Ontario Turnip Shippers' Association to cover some forty-two loading stations in western Ontario. Five inspectors were detailed for this work making inspections of some 460 cars. The inspections were made on the basis of tentative grades, approved by the Ontario Turnip Growers' Association and the department, and may provide a basis for re-

commending legislation in the near future as the industry feels the necessity for standardization in order to compete successfully with graded stock, particularly on the United States market.

Mr. MOTHERWELL: I remember now. It was not an official grading, the arrangement having been made between the vegetable growers themselves. There is no official grading of turnips, but it frequently happens that a practice initiated by producers themselves in a small way like this leads up to official action. The same process is taking place in connection with the exporting of honey. No recognized grades of honey have been established, but the beekeepers have decided upon certain grades of their own and the system is assuming such importance as will probably warrant our taking cognizance of it and providing for a grade under which this commodity may be placed on a foreign market.

Mr. SUTHERLAND (North Oxford): Nothing has been done yet?

Mr. MOTHERWELL: No.

Mr. STIRLING: What progress has been made by the British Economic Committee in the matter of fruit?

Mr. MOTHERWELL: A voluminous report has been submitted on the subject. Mr. Forsythe Smith, with the assistance of one or two others, has prepared some 200 odd pages which he expects to have ready for the public at any moment. We have some confidential advance information with reference to the subject but I think that possibly it would be better not to give it at present.

Mr. STIRLING: Does the minister understand that the British government has made no progress in relation to the grant which was supposed to be given towards marketing?

Mr. MOTHERWELL: Incidentally I may say, from a cablegram I have seen, that the personnel of the committee has been increased by one. The amount voted for this year is £500,000 which will be increased subsequently to one million.

Mr. STIRLING: That is not for fruit only.

Mr. MOTHERWELL: It is intended to include dairy products. We shall have a representative over there assisting Mr. Forsythe Smith and working in conjunction with the others as Mr. McOuat did in connection with the meat report.

Mr. CHURCH: I have read a good deal of the debates that have taken place on this item in the past three or four years and I have come to the conclusion that the minister has lost track of the main thing in giving the fruit growers adequate protection. Representing a constituency in the Toronto district which is near the Niagara peninsula, I have been amazed to see how little has been done to safeguard the fruit industry and to stimulate the production of our own fruits and vegetables. I do not know of any country in the world where Providence has done so much and man so little to develop this industry. Our lack of a national policy herein is deplorable. What does the minister propose to do to protect this industry? Nothing. A return that was brought down last year, and which will be found in Hansard, shows the tremendous amount of fruit and vegetables that is imported into this country and the extent to which there is dumping of American fruits. The amount is perfectly staggering; it has ruined our own fruit farms. This industry up to a few years ago used to provide work for a good many people in this country; it used to be one of our basic agricultural industries in Ontario, but to-day it is withering away. In two or three seasons throughout the year we have large importations of tropical fruits, which works to the disadvantage of our own producers. In all the large departmental stores in the large cities and towns of this country you will find piles of American fruit which has been imported into Canada at a great loss to our own fruit growers. Many of the fruit farms in the district from which I come have been sold. The industry has decayed, and you cannot put it on its feet unless the government provides proper cold storage facilities and adequate safeguarding legislation. Saskatchewan may have become the Washington of the north, the centre of gravity as it were, temporarily for Canada; but what does the minister propose to do during the next twelve months to protect this industry, which is now dying away so far as the province of Ontario is concerned? It is not like it was twenty-five years ago, simply because of the absence of a definite national policy on the part of this government; there is no vision. Years ago boats plied on all the Great Lakes carrying for a very few cents per one hundred pounds fruit that had been grown in the Toronto-Niagara district, but to-day there is a steamship monopoly on the Great Lakes, and it is going to interfere seriously with the fruit growing industry in the Niagara district. A combine and monopoly exists.

Now, what about the consumer? It is proposed to spend a few hundred thousand dollars again this year the same as last, to pay the salaries of a large number of officials,

but what does the government propose to do to protect this industry in all the provinces? Take the apple industry, for instance. Where is that industry to-day? Years ago you could go into a store and buy apples by the peck or by the bag for a very low price, but to-day they are charging the working classes in my district five and seven cents for just one apple, while we appoint paper commissions on the tariff to kill time; the government is spending in this vote too much money on overhead. Look what Ohio, New York, Indiana and Michigan are doing to protect the fruit industry there. Ohio is a state with 10,000,000 of people, about the size of Canada, and the state legislature has put this industry on its feet, with the result that all through the summer on lakes Erie and Ontario steamers are plying across the lake loaded with American fruit and vegetables from that state, and landed at Port Stanley and other points on lake Ontario. What sort of national policy is this government going to evolve to protect the fruit industry in this country, to prevent the invasion of Canada by American products, to prevent this country from becoming the happy hunting ground for all the Yankee fruit growers on the North American continent while the policy of drift continues? It is the Americans who are getting the cream of the Canadian business in fruit and vegetables. What does the government propose to do in the next twelve months to safeguard the fruit industry in Canada from coast to coast, and this industry in particular?

Mr. MOTHERWELL: I think I would be usurping the functions of the new advisory tariff board if I were to take this matter up. I would, therefore, suggest that we leave it to the board which has been constituted, and which will possibly be functioning within a few days. It is not within my province to announce a national policy with respect to the tariff. We will be advised on the tariff by the board that has recently been appointed, and I cannot predict what they will or will not do, but doubtless all these arguments that are being advanced by my hon. friend will be taken into consideration by the board.

Mr. CHURCH: As a result of the lack of a policy on the part of the government on this question, the mass production of the United States in fruit and vegetables is being brought across the border in motor trucks from Buffalo and the Yankees are getting the cream of the business and using Canada as a dumping yard. That is what happens under the absence of any sensible policy of this government, and it is no wonder the Americans are finding Canada a happy hunting ground and are grabbing everything so far as this industry is concerned while all we do is talk about useless tariff commissions.

Mr. CHAPLIN (Lincoln): The minister a moment ago hid behind what he called the new advisory tariff board. I wish to make just one remark, Mr. Chairman, and it is that the order in council appointing this new board never said one word about "advisory". No such word is used in it at all, but we have heard the word used by the Prime Minister and now by the Minister of Agriculture. This board is not advisory at all; it is simply under the dictation of the Minister of Finance.

Mr. MOTHERWELL: I think my hon. friend is wrong. He will find that the regulations indicate the advisory character of the board.

Mr. McGIBBON: It would be appropriate if the minister at this time would tell us what he and his department have been doing to facilitate the marketing of the products of the farms of Canada. There is no question that that is the great problem before this country. There has been plenty of evidence this afternoon to show that the spread between the producer and the consumer is enormous, and it is the duty of this department and of the government to reduce that spread so that the producer will get a larger share of the ultimate price paid for his product. If there is one thing which this government ought to do but which they are not doing, it is to help the farmers of this country market their products in such a way that they will get greater remuneration for their products. I would ask the minister what his department is doing along that line.

Mr. MOTHERWELL: We have been on that very question all day. Was my hon. friend not in? Anything that will help to improve the quality of an article will help to market it. It is clearly understood that anything that is well bought is half sold; anything of high quality will help to sell itself. If we see that the product is properly graded and put on the market in the proper way, especially the article for export, which determines our reputation abroad, that naturally assists in the marketing of the product. I do not know what my hon. friend had particularly in mind. Was it transportation?

Mr. McGIBBON: I have in mind the fact that the ultimate price paid for the article should go into the pockets of the producer, not into the pockets of the middleman, as it is going to-day, and I think the minister and his department are asleep in that respect. The profits are going to the middleman, not to the man who is producing the article. The minister has been asleep for the last five years, and has not yet wakened up to that fact.

Mr. MOTHERWELL: Oh, oh.

Mr. McGIBBON: The minister says "Oh, oh." I leave it to the producer of agricultural products to say whether or not I am right. Why, we have had this very day proof of the enormous prices that have been paid for commodities—apples, for instance—by the consumer. Those profits are not going into the pockets of the producer. Yet this government is unconscious of the duty it owes to the producers of this country, and of the necessity of enunciating a policy which will ensure to the producer a greater share of the profits which are now being enjoyed by the middleman.

Mr. MOTHERWELL: I presume that what my hon. friend has now in mind is the co-operative marketing of farm products?

Mr. McGIBBON: Yes, it is one of the things.

Mr. MOTHERWELL: Well, if my hon. friend knew the history of that movement he would know that no province has done so much in that respect as Saskatchewan. That is essentially a provincial matter.

Mr. McGIBBON: I am talking about the responsibility of this government, not about the responsibilities of the provinces.

Mr. MOTHERWELL: We are talking about the government that has to do with co-operative marketing, and that is essentially a provincial matter. That may not have been drawn to my hon. friend's attention. During the time I had the honour to act in a provincial capacity the foundation was laid for those co-operative activities that are to-day the largest of their kind, not only on this continent but in the entire world. My hon. friends think I should follow the provincial activities into the federal field. I am afraid that in some respects we are doing that now. We have been trying to draw the line of demarcation between provincial and federal activities, leaving the production and the educational branches, if you can call them so, to the provinces, while the federal authority takes care of the grading, the marketing, the care of the health of animals and like matters. It is not an easy thing to draw the line, because these various activities overlap in spite of us. We have been working harmoniously, I think, with every province in that respect. In no part of Canada do we do as much work that is really provincial as we do in the maritime provinces. In Ontario I have been in communication with the Hon. John Martin, by correspondence and otherwise, about some work we have been doing in connection with the testing of cattle for butter fat, there being a general disposition as between the federal department and the provincial government to keep the line of demarcation between the respective jurisdictions. It is admitted that as the work of co-operative marketing develops we shall derive very beneficial results. But what would my hon. friends have the federal government do in the matter? Open wholesale or retail houses, and cut out all the middlemen? How would my hon. friend himself proceed?

Mr. McGIBBON: I would not hide behind the provinces and get rid of responsibility in that way. I would take hold of my department and run it so that the consumer would get the benefit of the policies which I inaugurated.

Mr. MOTHERWELL: Oh, well, that is a little bit of grandstand play.

Mr. McGIBBON: The minister is an adept at that himself; if there is anyone in the House who surpasses all others in grandstand play it is the minister.

Mr. MOTHERWELL: When I was in the Saskatchewan legislature, for the first time in the history of any province estimates were introduced for the purchase of cream, provision being made that the treasury should be recouped.

Mr. SUTHERLAND (South Oxford): That is not fruit.

Mr. MOTHERWELL: I am talking about co-operative marketing. I am not averse to learning from any source. I am prepared to accept information from my hon. friend or anyone else; that is the way I learn. But I would remind my hon. friend that he cannot tack such a thing on to the federal department because we would be exceeding our prerogative if we undertook work of that nature.

An hon. MEMBER: Did you do that when you established the wheat board?

Mr. MOTHERWELL: We have the market prices broadcast to the farmers by radio. We have a regular marketing branch to give the farmers information as to the condition of the markets so that they will know when they go to those markets that they are getting full value for their products.

Mr. McGIBBON: They could get it through the daily newspapers.

Mr. MOTHERWELL: Let me be quite candid: I am not at all averse to getting all the information I can as to how to improve my department. I would be delighted to get information from any source whereby we would be able to narrow that spread my hon. friend speaks of. I can recall that before my hon. friend entered this House I brought down a bill with respect to the establishment of cold storage plants, expressly for the purpose of developing the spirit of co-operation and encouraging co-operative salesmanship among our farmers. What kind of reception did that bill get from the associates of my hon. friend? What kind of reception did it get in the Senate after hon. members had hammered the life out of it here? The bill got through here but it did not get through the Senate. It was so badly mutilated there that it was no good and I had to abandon it. So my hon. friend should know a little bit about the history of these matters before he gets up and proclaims from the housetop how the federal department should exercise provincial prerogatives without at the same time invading the provincial field. If my hon. friend has any suggestions to make as to work that will come within my jurisdiction I shall be delighted to welcome them, because there is no doubt there is a spread. But my hon. friend wants to narrow the spread by increasing the duties. He says that by making products dearer you are going to narrow the spread.

Mr. McGIBBON: No, I want to narrow the spread by cutting out the profits of the middleman and giving them to the consumer. The minister and the government during the last five years have been asleep to the necessity of doing that, and they are still in a comatose condition.

Mr. MOTHERWELL: I suggest to my hon. friend that he should apply to the provincial government; and there is a good Department of Agriculture in this province.

Mr. McGIBBON: Have they any control over the export of food products?

[Mr. Motherwell.]

Mr. MOTHERWELL: Oh, well, we will attend to the exports.

Mr. ARMSTRONG (Lambton): In support of the position taken by the hon. member for Muskoka-Ontario, let me read just a few lines from the report of the Department of Agriculture which, I think, will convince even the minister that the hon. member was justified in taking the position he did. On page 40 of that report I find the following:

> Additional illustrations could be given indicative of the weak points in our live stock industry as having reference to its development as a national business. The fact that Great Britain imports $168,000,000 of bacon and pork products per annum, Canada at present supplying only 15 per cent of this amount, confirms the above statement both with reference to our problem and to our national opportunity.

Surely that is a national question which the minister should take up. When we are only supplying 15 per cent to a market which consumes $168,000,000 a year there is surely ground for the minister's bringing about improvements in that regard.

Mr. MOTHERWELL: Is the situation better or worse than it was three or four years ago? My hon. friend has heard it stated that the quality of our product is improving, that the spread between Canadian and Danish bacon is narrowing every year. Three years ago there was a spread of from twenty to twenty-five cents between Canadian and Danish bacon. To-day both products quite frequently are on a parity, with probably a difference of five shillings per hundred, or from that to two or three shillings at other times, showing an improvement not only in quantity but in quality. Now that is the national part that comes under the prerogative of the federal department, as I understand it. But notwithstanding that fact we are, in a measure, working with the provincial government. That responsibility is always imposed upon us because associated with grading there must always be efforts to improve quality. It is just a question where we should stop the one and commence the other. But my hon. friend thinks that because Great Britain does not buy all this bacon from Canada somebody is derelict in his duty.

Mr. ARMSTRONG (Lambton): I am not asking that they buy all of it from Canada, but when Great Britain is buying $168,000,000 of the very products the minister has been talking about, and we are only able to furnish 15 per cent of them, I think it is about time the minister woke up and took a more active interest in the department.

Mr. MOTHERWELL: Thank you. I will just tell the result of the waking up. For a great many years during the administration of the friends of my hon. friend there was an embargo on Canadian cattle going to the Old Country.

Mr. McGIBBON: That is an old story. Who helped to get the embargo off?

Mr. MOTHERWELL: There was a total embargo; you could not ship store cattle into Great Britain. What did you do? Was it not an international enterprise we went into? I am always willing to give credit to hon. gentlemen opposite for anything they did. The hon. member for South Winnipeg deserves credit for the work he did in connection with it, but the fact remains that this is the government which succeeded in having the embargo removed.

Some hon. MEMBERS: Oh, no.

Mr. MOTHERWELL: Oh, yes. You will have to get up earlier in the morning before you can spring anything like that on me. It was suggested this afternoon that I should educate the Maritime people with regard to certain matters. Well, I am willing to sit at the feet of my hon. friend across the way, but they must not be threshing old straw and making allegations in which there is absolutely nothing with respect to dereliction of duty on the part of this government in regard to our live stock market. We have succeeded in inducing the British government to open a market which has been closed for thirty years. Is that a fact or not?

Some hon. MEMBERS: No, no.

Mr. MOTHERWELL: It does not matter what my hon. friends may think of the method or of the enterprise, but last year when we endeavoured to meet that situation and prepare Canada for the inevitable time when we had to compete with the Argentine in live cattle, what did my hon. friends do? They opposed it to a man.

Mr. MANION: What did the committee of the minister's own government do but throw out the contract?

Mr. MOTHERWELL: What did my hon. friend do?

Mr. MANION: My hon. friend does not like the truth.

Mr. MOTHERWELL: The committee was a committee of parliament and got its cue from my hon. friends.

Mr. MANION: It was a committee of this government.

Mr. MOTHERWELL: It does not matter whether it was the best method or not; it was the best in sight. My hon. friend was not in the House, but his party is on record, both then and previously, and did nothing.

The CHAIRMAN: I call attention to the fact that we are discussing item 42.

Mr. TOLMIE: With reference to the statement of the hon. Minister of Agriculture in regard to the embargo and to certain inaccuracies in connection therewith, I should like the privilege of saying four or five words in that connection. Looking back through the history of the cattle embargo, we know that it was in existence for thirty years. On that point the minister is quite correct. I should like to point out that the first break or the first change in the situation in connection with the cattle embargo was a promise to the Right Hon. Sir Robert Borden, who was then Prime Minister of the country. That right hon. gentleman and the hon. member for South Winnipeg held a conference with the representatives of the British government including the then Minister of Agriculture, and it was on that occasion that the British government promised to lift the embargo at the conclusion of the war. After that an embargo commission was created by the British government and the case for Canada was presented to that commission by the Conservative government of the day. At that particular time a promise was secured from the then Minister of Agriculture to the effect that the government of Great Britain would be guided by the finding of that embargo commission. That commission found in our favour. The legislation was then introduced into the British House of Commons, and all the present government had to do with it, so far as I am aware, was in helping to make some regulations, or to come to some agreement with regard to regulations, as to how those Canadian cattle could enter Great Britain.

The CHAIRMAN: Will the committee proceed to the item under discussion?

Mr. MULLINS: Did the minister make the statement that the present government was responsible for the removal of the embargo?

Mr. MOTHERWELL: I think the hon. member for Marquette claimed that distinction. He lifted the embargo.

Mr. MULLINS: I never made that statement. If the minister says I did he is incorrect. It is not the fact. I think I had something to do with it. I think the minister had some correspondence with me in regard to it. I do not think the minister has the right to make the claim which he has made in regard to the removal of the embargo, and I will tell him that he only left the job half finished. If Canada had obtained justice she would have the Canadian cow in on the open market, instead of having her where she is. There would be no trouble at all if there was some effort to induce the British authorities now to consent to the admission of the Canadian cow on the British market. True, we got the males in, but that was not the result of the efforts of the present government. An hon. member sitting over here, who is not making any statement at all, is the gentleman responsible for having the embargo removed.

Mr. MOTHERWELL: I referred to the hon. member.

Mr. MULLINS: They exacted promises and that is what accomplished the result. Public men in Great Britain stated on the platform that while they did not want to admit our cattle, still they were going to keep the promise they made to Sir Robert Borden and the hon. gentleman from South Winnipeg. I do not think it is fair for hon. members on the other side of the House to claim credit for the removal of the embargo.

Mr. SUTHERLAND (South Oxford): The item is a fairly large one, $200,000, and the question asked by the hon. member for Muskoka-Ontario was a very pertinent one. He asked what the government was doing in regard to the marketing of fruit, particularly apples. Apples are grown in many places in Ontario. The trees grow quite naturally and bear a certain kind of fruit, which indicates that the province is by nature adapted to the growing of apples, and I believe there are millions of bushels annually going to waste in Ontario; orchards are being neglected and the people are not taking full advantage of their opportunities. The minister endeavoured to say that this was a matter for the provinces to deal with, not the federal government. He indicated the strides which had been made by the province of Saskatchewan in this respect. Perhaps he would inform the House what Saskatchewan has really done in regard to the marketing of apples.

Mr. MOTHERWELL: We do not grow any apples of any account.

[Mr. Motherwell.]

Mr. SUTHERLAND (South Oxford): I quite understand that, and I did not think the minister's reference to Saskatchewan, in view of the question asked by the hon. member for Muskoka-Ontario, was an answer at all. There are great difficulties in the way of marketing fruit, particularly apples, and I notice by the returns of the trade of Canada that our apples are exported to about twenty-five different countries. The minister states that their responsibility ends when they see that the fruit is put on the market in the proper way. But apparently no effort is being made by the department to assist in the marketing of fruit. There must be something done along that line in the matter of co-operative marketing if we are going to reap the advantages which we should, and I think the federal department is the proper one to take steps in the matter. When the present government came into office there was an annual grant of about one million dollars a year under what was known as the Agricultural Instruction Act, which was being divided up amongst the seven provinces and which could be used with great benefit along this line. I should like to ask the minister if one of the first steps he took when he came into office was not to have an analysis made as to the value received for the money voted under the Agricultural Instruction Act. A report was made to the minister by the party whom he appointed for this purpose favouring the continuance of the Agricultural Instruction Act and pointing out the advantages which were derived from the money voted for it. If the minister was consistent in what he stated when this matter was brought up in the House, namely, that this commissioner, as he termed him—although he never was a commissioner—was appointed for that purpose, why did he not act on the recommendation which the commisioner made, which the minister has and in which the commissioner pointed out the advantages of continuing this aid to agriculture under the Agricultural Instruction Act? The minister in that way could co-operate with the provinces and do something along this line. Co-operative marketing is something that must be put into operation in this country and assisted if we are to obtain the advantages to which we are naturally entitled.

Cold storage facilities and all the means of transport are under the control of the federal government, and surely the minister does not mean to say that this matter rests entirely with the provinces. It is the duty of the federal government to assist the provinces and to get them to co-operate and to co-

ordinate in this matter. I do not believe there is anything of greater importance to those engaged in fruit growing in Canada than to enable them to co-operate so as to place their produce on the market with a good deal of unnecessary expense eliminated. It is a downright shame to see the hundreds of thousands of barrels of first class fruit that annually goes to waste in Ontario and something should be done to prevent it. The minister says that some of the provinces have already taken over the work which was done by the federal government in the past. That may be true as regards some provinces, but the federal government does not and never has assisted in any way the fruit growing industry in Ontario; it has left the matter entirely to the provincial government.

Mr. MOTHERWELL: The cold storage plant at Grimsby is a very useful institution.

Mr. SUTHERLAND (South Oxford): I am speaking about the experimental stations, because these are being contributed to by Ontario and other provinces. Nevertheless, nothing is being done in this province and the minister says: The matter must rest entirely with the province; we are not going to do anything in the matter of marketing fruit, so we shall vote just $200,000, appoint an army of inspectors to go around the country, and our responsibility will end there. Surely the minister does not mean to leave on the members of this House the impression that the responsibility of the government ends with the appointment of an army of officials. By the way, the minister has put forth great efforts to see that a change is made in the complexion of the inspectors whom he found in office when he came in. I have in mind two seasonal inspectors in the county from which I come, both appointed about the same time and both thoroughly competent men, who received notices from the department asking them for their resignations shortly after the minister took office. One of them sent in his resignation and the other did not. The one who sent in his resignation received a gratuity or bonus of a little over or a little less than $1,000.

Mr. MOTHERWELL: Would my hon. friend mind giving me the particulars? I do not know about the matter.

Mr. SUTHERLAND (South Oxford): I brought the matter to the attention of the minister about two years ago and I did not intend to bring it to his attention to-day. The inspector who refused to send in his resignation was dismissed without any gratuity or bonus, whereas, the other, who complied with the minister's request, received a retiring allowance of about $1,000. The minister has endeavoured to leave on the minds of hon. members the impression that everything in connection with the inspectors rests entirely with the Civil Service Commission; that he has no control over them whatever.

Mr. MOTHERWELL: I did not say that.

Mr. SUTHERLAND (South Oxford): I think the minister has control over these officials who are operating throughout the provinces and his responsibility cannot end there. The government should continue to lend the assistance which was given before under the Agricultural Instruction Act to bring about a better system of marketing in this country.

Mr. MOTHERWELL: I hope I have not left that impression on my hon. friend in regard to these officials. We have the power to dismiss them, although we have not exercised it very frequently. I am afraid my hon. friend has got mixed up.

Mr. SUTHERLAND (South Oxford): Not at all.

Mr. MOTHERWELL: I would like to get that information because I have no recollection of it. As regards the Agricultural Instruction Act, I regret quite as much as my hon. friend does the necessity of dealing with that question as we dealt with a number of other cases in which the Dominion government was giving grants to provincial activities. The committee will recall the large sum, $20,000,000, that was voted for road construction.

Mr. SUTHERLAND (South Oxford): That was not under the Agricultural Instruction Act.

Mr. MOTHERWELL: Just wait a minute. I am pointing out that four federal policies bearing on this point were introduced during the war. One of them was the federal policy of road construction that prior to that time had been looked upon entirely as a provincial matter. Another was the house building scheme under which large sums of money were lent to the provinces for the purpose of taking care of the acute situation immediately following the war with regard to housing.

Mr. SUTHERLAND (South Oxford): I will admit the government have solved the housing problem.

Mr. MOTHERWELL: Just a moment. The next one was the matter of technical education. I am not criticizing any of these adversely, but these four methods of federal aid to the provinces were not on all fours inasmuch as the one to agriculture had started sooner than the other three. That, however, was the only difference. The government was under the necessity of cutting down our expenditure wherever possible, trying to make our budget balance. We have cut down that expenditure since we came into power by over $100,000,000 and this is one of the four ways that I have cited. Does my hon. friend not appreciate the difficulty that I would have in retaining one of these things when it had been decided by my colleagues and myself that the other three, the road expenditure, the building programme that had been entered into and the assistance to technical education, should be discontinued? How are you going to justify cutting those three out and retaining the other? In my experience a good deal of useful work was done under the Agricultural Instruction Act, but we were induced by the exigencies of the situation to decide to cut down wherever possible and we treated them all alike.

9 p.m.

Mr. ARTHURS: Does the minister mean to say to this committee that the grant for technical education has been cut out by the government?

Mr. MOTHERWELL: I think it will be shortly. It was for a five year period and I think it expires this year. These were all for periods of five and ten years and with that limitation my remarks hold good.

With regard to the fruit situation—because after all that is the vote under discussion—the hon. member for South Oxford I think was in this afternoon when I drew attention to the prosecution as a result of the Duncan report in connection with the investigation under the Combines Act. Just as soon as the government received the Duncan report, and before it was made public, I, through my deputy and the Fruit Commissioner, called a conference of all the fruit growers organizations from the Atlantic to the Pacific for the purpose of organizing a national selling agency. The government paid the expenses, amounting to about $1,500, of the twenty or twenty-five delegates who met here for two days and organized a national co-operative marketing agency to counteract the abuses practised by the distributing combines. Now that was something to our credit. I do not know whether we gave the delegates a dinner or not, I do not think so, but at all events I have been criticized severely by my hon. friends opposite for calling such conferences at the expense of the country. The fruit growers from the Okanagan Valley right down to the Maritimes were very appreciative of our efforts in their behalf.

Mr. McGIBBON: Does the minister seriously ask this committee to consider that he has discharged his duty to the people of this country with regard to the co-operative marketing of farm products by spending $1,500 to give a banquet to a number of people whom he invited here to discuss co-operative marketing? Surely the minister takes his duties a little more seriously than that. This is one of the greatest agricultural countries in the world, and yet to-day our farmers, if they are suffering from anything, are surely suffering from their inability to market their products at a fair price. The minister's explanation is really childish and is an affront to the people and to this parliament.

Mr. MOTHERWELL: Well, that is really refreshing. I think possibly what I am going to say now will do more good than the $1,500 that we expended. The trouble with the apples of Ontario is that no system of marketing will make them acceptable on the market because they are not properly graded and packed. You cannot market cull apples to advantage anywhere.

Mr. McGIBBON: Is it not the duty of the minister to remedy that condition?

Mr. MOTHERWELL: We are doing our best. I am trying to knock in to my hon. friend's head what should be done, but I have great difficulty in imparting to him the requisite information. You must first grow a high quality product to meet the fruit of your competitiors, and then you must put it on the market in accordance with the grade that it purports to be. We called those people together for that purpose. Is it my hon. friend's serious proposal that we should go out into the country and organize co-operative associations for the marketing of fruit? That is already being done in many of our provinces. We believe, Mr. Chairman, in the policy of assisting our fruit growers to help themselves, and as an earnest of that we called them together on the occasion I have referred to. They then formulated a policy, and some of them have since inaugurated it. If my hon. friend has anything further to suggest that is explicit, not merely a little curtain lecture—which I am always delighted to receive at his hands—I shall be glad to listen to him. Will he please specify what

further in the way of co-operation he thinks the federal government should undertake? I can assure him that I will deal with his suggestion seriously in an effort to add something more to our already long list of achievements in this respect.

Mr. McGIBBON: With all due respect to the minister, I think his department has been something like Rip Van Winkle—it has been asleep to the needs of the country. When it wakes up to the fact that it is its duty to help the farmers of this country to cut out the profits of the middleman in marketing their products, something will be accomplished for our farming interests. At present, practically nothing is being done in this direction.

Mr. MOTHERWELL: My hon. friend is not convinced yet.

Mr. McGIBBON: No, I am not.

Mr. MOTHERWELL: I presume my hon. friend reads the Farmers' Advocate?

Mr. McGIBBON: No, I never do.

Mr. MOTHERWELL: That is quite evident. I may tell my hon. friend that the Farmers' Advocate in a recent editorial drew attention to the fact that more has been done in Canada in the last four years to grade and put our exportable farm products on the markets of the world in the most favourable condition than had been done in the previous twenty-five years. Well now, if my hon. friend wants me to assume the functions of a superman, I am afraid I cannot fill the bill; but I do claim that we have done something in comparison with what has been done in the past, although I may add that I do not claim any great credit for that either.

Mr. McGIBBON: I hope the hon. minister does not take his policy from the editor of the Farmers' Advocate.

Mr. MOTHERWELL: The Farmers' Advocate dates back beyond either my hon. friend's birth or my own, and is one of the outstanding agricultural papers of Canada. I do not think that what it says is the last word, but at the same time its opinions are worthy of consideration—as put alongside of those of my good friend.

Mr. HANSON: Mr. Chairman, apropos of the question of marketing fruit, the minister was good enough to say that he would be glad to consider any constructive suggestion that might be made to him. Speaking this afternoon, I indirectly made a suggestion to him to which I think he ought to give very careful consideration, that is, the cost of transportation, especially of perishable fruit. Down in the Maritime provinces we import, annually, a good many carloads of grapes, peaches, and other fruit from the Niagara peninsula. I gave a concrete illustration of the cost of transportation. Now I ask the minister: Has he or his department at any time during the past four years done anything to cut down the cost of transporting that fruit? If he has, and has been able to accomplish anything, then he has done more real service not only to the producers but also to the consumers of this country than I had thought him capable of. If he has not attempted to do anything, then I say he has been derelict in his duty both to the consumer and to the producer.

Mr. MOTHERWELL: My hon. friend knows that the whole question of freight rates is now before the railway commission?

Mr. HANSON: Yes.

Mr. MOTHERWELL: For some years we have had a man working on rate schedules in anticipation of getting the reduction that my hon. friend speaks about. At the conference of fruit growers last spring I remember we discussed with the Maritime fruit growers the Atlantic combine. I think they have done more outstanding work in the Maritimes in connection with ocean freight rates than any other body of men. Shortly after the war the ocean rate on apples was two or three dollars a barrel. This same organization that we have been assisting, last spring by the coordination of their activities and by negotiation with the combine, were able to cut down that rate to ninety cents or a dollar a barrel. That shows what the cooperative activities of these fruit growers organizations are capable of, although we have been criticized for aiding them. We are working with them on the question of both freight and express rates on all lines of fruit in anticipation of accomplishing something as soon as the new rate schedules are announced by the railway commission. I do not know when that will be.

Mr. LADNER: Does the work which is being done with respect to this schedule take into consideration the transportation of fruit from British Columbia eastward?

Mr. MOTHERWELL: Yes, that is where it is needed.

Mr. FOSTER: Some time ago there appeared in Ottawa a delegation that waited on the minister, and later on the Prime Minister, with regard to an increase in the marketing facilities for the fruit of the

Maritime provinces and of British Columbia. This delegation, I understand, united with a body known as the Canadian Horticultural Council and these two organizations jointly presented their grievances to the minister and his leader, embodying the gist of their demands in a memorandum which was placed before these hon. gentlemen. That memorandum directed the attention of the Minister of Agriculture to such important action as, in the opinion of the delagation, the government should take to secure an increase in marketing facilities for the fruit of the Maritime provinces and British Columbia. It was pointed out that whereas the British government had set aside about £1,000000, or approximately $5,000,000, for the purpose of educating public opinion in Great Britain to the purchase of empire-grown fruit, the delegation disapproved of that course on the ground that it was not at all likely to assist to the proper extent in the marketing of Canadian fruit. They suggested, rather, that the government of the day, if it continued to function, should impress upon the British government an alternative proposal aiming at an increase in the imperial preference on Canadian fruit grown both in the Maritime provinces and in British Columbia.

The delegation, I believe, were at considerable pains and spent a great deal of time and effort in preparing the memorandum which they submitted to the government. They may not have to covered the whole subject, but at any rate the memorandum, which had been carefully prepared, set forth the reasons why it was necessary for the government to take steps immediately to assist the fruit growing industry of Nova Scotia as well as of British Columbia. It was indicated among other things that our greatest competitor in the shipping of fruit to Great Britain was the United States. It was pointed out further—as the minister and his colleagues know—that there has been a really great awakening in public opinion in Great Britain looking to preference on a great many products. They may not have stated the matter in these words, but that is what they had in mind. The British people realize to-day that they cannot have imperial preference on all commodities, and as a matter of fact they do not look forward to anything of the kind, because they appreciate the fact that the manufacturing industries of the dominions and the colonies cannot be allowed to be destroyed by imperial preferences. Nevertheless there is a decided growth in public opinion overseas, as represented by the many leagues and clubs that are springing up in the British Isles, looking to an increase in the preference on fruit. Can the minister give me any information as to what steps, if any have already been taken to bring this matter to the attention of the British government, and to ascertain what they have in mind over there as to what should be done by this government and the governments of other dominions in return for an extension of preference on the part of the Mother Country? We should like to know the feeling in this respect—whether they want anything done or whether they are willing to give a preference merely for the asking.

Early in the session, before the delegation arrived here from my province, I touched upon this very important matter, covering the ground reasonably well, as I thought. In view of all the circumstances, and considering the condition of the fruit industry in Nova Scotia particularly, I think that some action should be taken by the government immediately to secure if possible an increase in marketing facilities so that our fruit growers may be in a position to take advantage of them before the crop is gathered next fall. Will the minister enlighten me on the subject?

Mr. MOTHERWELL: As indicated, recommendations were made by the Horticultural council and other fruit men of Canada who interviewed the Prime Minister and myself about six or seven weeks ago. The whole question was fully discussed and I have no doubt the Prime Minister will have something to say later on. He was present at the Imperial conference when this and other subjects of a similar nature were under consideration. As to asking the British government to give us a preference on Canadian products by taxing foreign goods, I am bound to say that we have always hesitated about doing anything of the kind by appealing directly to the government of Great Britain as such. Our policy was established away back in 1897 in what has been called the British preference, which has been amplified from time to time since. We have always been reluctant to take the course suggested and we have been criticized in consequence. I know the doctrine is sometimes preached of preference for preference. But when it comes to seeking by preference entry into a market which is absolutely free in relation to practically all our exportable farm products, it would seem to me to call for some nerve on our part to ask the British government so to adjust their fiscal policy as to tax foreign goods, and thereby tax their own consumers, for the benefit of us in Canada. I repeat, we have hesitated to take that step; I do not think

we have ever done so in respect of any product. There may be some other way of accomplishing the same result, although I do not know what it is. Let me assure the hon. member that we are not at all unsympathetic in this matter. We had a pleasant interview with these gentlemen representing the fruit interests of the country, and some suggestions were made that seemed acceptable to them. Probably the Prime Minister may supplement what I have said.

Mr. CHAPLIN (Lincoln): Did not this government put a duty on raisins for the benefit of Australia?

Mr. MOTHERWELL: We tax them for the benefit of our own revenue.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Oh, yes. There are no raisins in Canada to protect, are there? My hon. friend from Lincoln comes from a grape growing country, I know—

Mr. CHAPLIN (Lincoln): I am asking the minister if we did not put a tax on raisins for the benefit of Australia.

Mr. MOTHERWELL: No, we are not legislating for Australia.

Mr. SUTHERLAND (South Oxford): I would ask if the fruit pulp of Australia was put on the free list for the benefit of Australia or Canada.

Mr. MOTHERWELL: We discussed that with the deputation—Mr. Taylor, one of the British Columbia members, raised the question—when they were here, and they presented the very question my hon. friend has just raised, as well as others. I do not know, Mr. Chairman, how far you are going to let us meander around on this vote.

Mr. ROSS (Kingston): In view of the government's policy to give the people free food, how does the minister justify a tax on raisins?

Mr. MOTHERWELL: We wanted some revenue.

Mr. ARMSTRONG (Lambton): In western Ontario there is a great deal of trouble in connection with hog cholera. The deputy minister this morning made a statement to the effect that practically every bit of hog cholera that has broken out in this Dominion was due to the importation of pork from the United States. I would like to ask the minister what steps he has taken to prohibit the importation of that pork into Canada. Surely we can produce sufficient pork in this country for our own needs. Why should we be forced to have this pork coming into this country, affecting our swine, and injuring this industry in Canada?

The CHAIRMAN: I would point out that we are dealing with item No. 42, which has to do with fruit.

Mr. SUTHERLAND (South Oxford): The minister was discussing raisins a few minutes ago, which I presume properly comes under this item. He intimated that the duty was placed on raisins to raise revenue. Yet Australia was given a considerable preference over other countries under that trade treaty, and so far as fruit pulp is concerned, the duty was entirely removed, bringing our fruit growers into competition with Australia. Evidently these concessions were asked for by Australia. I do not imagine the minister would voluntarily offer inducements of this kind. It is well known that the Minister of Finance admitted that so far as agriculture was concerned, that industry was not receiving any advantage, but the country was he said, receiving an advantage through the removal of the duty of £3 per ton on newsprint. The government made similar concessions to New Zealand on the 26th of September last, just a few weeks before the general election, and apparently without any request having been made by New Zealand. I placed a question on the order paper and a return was brought down which indicated that there had not been one particle of communication, either direct or indirect, between the government of Canada and the government of New Zealand, yet they were granted all the concessions that had been granted to Australia. The minister, when his estimates were up the other night said they were afraid that possibly New Zealand would place a similar tax on newsprint to that imposed by Australia, and in order to forestall that action they had granted New Zealand similar concessions. I think the minister has something in the back of his head to which he has not referred here to-day at all, and in order to give the House an idea as to the line of thought that passes through his mind I might refer to Hansard of May 7, 1924, when the minister stated:

> We are beginning to do slowly what we had endeavoured to do rapidly on three historic occasions, and failed—in 1878 and in 1891, unrestricted reciprocity, and in 1911, reciprocity in natural products. We endeavoured

to go rapidly, but we were told we were going too quickly, and we were defeated in each instance. Now we have been reaching out to the same objective by easy stages.

Apparently agriculture has been singled out by the minister, who has put himself on record as in opposition to the views expressed by the Right Hon. Mr. Fielding when he was Minister of Finance. It was well known that Mr. Fielding was not of the same view as the Minister of Agriculture with regard to that matter, and Mr. Fielding reproved him in the House on several occasions. But apparently that is the thought that is uppermost in the mind of the minister, and so far as agriculture in this country is concerned, it has suffered in every instance where a trade treaty has been made by this government. In every instance the interests of agriculture have been sacrificed in order to meet the demands of such people as the newsprint people, for instance, who were penalized by Australia for exacting the enormous profits they exacted during the war, when as much as £100 per ton was paid by the people of Australia for newsprint. As they pointed out, the Americans who had come over into Canada and acquired control of our pulpwood limits had taken an unfair advantage of them. Now the Minister of Agriculture permits fruit pulp from Australia to come into this country free, bringing Australia into competition with those in our own country who are already suffering under great disabilities. The minister tried a short while ago to make it appear that this was a provincial matter with which the federal government had nothing to do. I say that the federal government are doing more harm to those who are struggling to put their business on a sound footing than anything else they have to contend with.

The minister pointed out a few minutes ago that it was necessary for the government to economize, and one of the first steps he took was to cut out the grant under the Agricultural Instruction Act. He said that that was not necessary. Let me remind him that this was a measure that was adopted before the war began; it was not a war measure at all; it was a very necessary thing. The act granting aid in highway construction was also passed some years ago, when highways of that nature were not anything like as important and as essential as they are to-day. The cost of transportation so far as fruit is concerned is one of the most important things we have to contend against, and better highways by which the fruit can be conveyed by motor trucks are really the only hope for the country. It costs almost as much to ship fruit a short distance and have it placed on the market as it does to purchase fruit in the open market. I cannot understand how the minister can attempt to justify the reductions that have been made so far as they affect agriculture. Highways are absolutely essential in order to further the fruit industry of this country. The Agricultural Instruction Act was an act by which great assistance could be rendered, and was rendered, and the man who was appointed by the minister to make an investigation and report to him recommended that this grant should be continued, yet the minister states that they have found it necessary, for the sake of economy, to cut out this grant.

The minister also referred to the grant to further the building of houses. It is well known that there are empty houses to burn all over this country to-day. They have been insured in many instances; that is the verdict of the insurance companies. Housing is not a question to-day that demands the granting of assistance from this government, but the attention of the government should be directed to the cause of all these troubles.

It is necessary in order to assist the soldiers who have gone on the land to have a revaluation of that land. The government admits that there has been a tremendous depreciation in land values, and all the time the minister is doing something not to assist agriculture but to hamper and restrict it, turning loose on this country an army of meddlesome, vexatious inspectors who are doing everything in their power to discourage rather than to encourage those engaged in agriculture. And as regards the food products of the Dominion the consumer has to pay any price at all that may be demanded for very inferior articles. As to this the minister has made the case much worse than it was by the explanation he has endeavoured to give. Why has he absolutely ignored the report of the commission appointed to investigate the administration of the Agricultural Instruction Act? Surely if agriculture is languishing, and the government admits it is, and farm lands are depreciating, a revaluation must be made in the interest of the soldier settlers or they are going to be all forced off the land. This is a serious matter and one which should cause the government to take some action. Furthermore the reduction of the tariff on everything the farmer produces is making the situation worse instead of better. From the circumstances one would al-

most come to the conclusion that the government are deliberately putting into effect a policy which is going to strangle the agricultural industry in this country. It seems hard to realize that any body of men placed in such a responsible position would dare to put into effect the legislation inaugurated by this government, legislation which has made it so difficult for those engaged in agriculture to carry on.

Now we hear of another scheme advocated. We are going to build more railways. We are going to establish a steamship line to carry our products to the markets of the world and thus come into competition with our own existing Canadian line. This matter must be settled right now in this House; the responsibility cannot be delegated to the provincial government. The responsibility must be placed where it properly belongs, and I do not believe any member of the government has a greater load of responsibility by reason of the restrictions and discouragement from which agriculture is now suffering that the minister who is now endeavouring to put his estimates through the House.

Mr. FOSTER: I have a word or two to say on the subject before the committee, and then I should like to hear from the Prime Minister, who I observe is seated near the Minister of Agriculture. The minister says we cannot ask Great Britain to-day to do anything in the desired direction because by so doing we shall be asking the British people to tax themselves on goods coming in from foreign countries. On the surface there might appear to be something in that argument, but when it is analysed it really has no foundation. In the first place we are entitled to ask Great Britain for some concessions if we are going to remain a part of the empire. At least we are entitled to sit down and talk over our difficulties with them. We have already done that, I apprehend, in the case of immigrants because a contract has been entered into which requires Canada to guarantee five years' employment to English immigrants coming to this country. In other words we undertake to take care of these immigrants if they cannot find employment in the various channels to which they might be directed on first coming to this country. It seems to me that the Canadian government, for one thing, might point out to the British authorities, in the discussion of this question, that in Nova Scotia there are thousands of acres of lands upon which fruit can be grown of a quality that will compare with any fruit grown elsewhere, and that here there is an opportunity for thousands of immigrants of a certain kind from Great Britain to settle and establish themselves in the fruit-growing industry. But first a stable fruit market must be established, and I ask what sense there is in our remaining as part of the British Empire, if fruit and other products from the United States are allowed to find a market in Great Britain to the exclusion of fruit and other products from this and other dominions interested in building up that empire, and at the same time we have to tax ourselves for the upkeep of immigrants for whom we have now no work.

Mr. YOUNG (Weyburn): Is that the measure of your loyalty to the empire?

Mr. ARMSTRONG (Lambton): It is a case of loyalty to Canada.

Mr. FOSTER: My loyalty to the empire will stand comparison with that of my hon. friend at any time. The hon. gentleman need have no fears on that account. It is not a question of loyalty; it is a question of common, ordinary business sense.

An hon. MEMBER: Horse sense.

Mr. FOSTER: Yes, horse sense.

Some hon. MEMBERS: Oh, oh.

Mr. FOSTER: Let my hon. friend laugh. That laugh sounds like a horse laugh.

Some hon. MEMBERS: Hear, hear.

Mr. FOSTER: Now that my hon. friends have got that off their minds we can get back to the main question at issue, which is this: we should provide openings for certain of these British immigrants, whereby they can go on the land and make a living at more places convenient to present markets instead of carrying them all the way across this continent and shunting them into the hinterland in the northwest, locating them on brush land, and starting them out there in an endeavour to make a living. Attempts to settle such districts have failed, and will continue to fail. This is illustrated by a letter written by one man the other day. I should like to place this letter on Hansard, but it would not be exactly pertinent to the discussion and I shall do it on a more appropriate occasion.

The main point in considering such questions as this is that we are faced with the development of the whole of Canada and not one particular portion of it. In this development the British people themselves are just as vitally interested, or they would not be willing to vote one million pounds, or $5,000,000, for this particular purpose. If we have

a million and a half barrels of apples in Nova Scotia the imperial preference suggested of two shillings and sixpence, or a little better than 50 cents, would have a very important effect of stabilizing our market. If the British government paid $750,000 out of the treasury by way of subvention it would be cheaper than spending $5,000,000 in the campaign of education on which they are at present embarked. These questions need only be brought to the attention of the British government in a practical way in order to get some progress along the lines which have been pointed out.

Mr. TOLMIE: There is a question I wish to ask but I do not know whether it would be pertinent to this vote. I have noticed that since 1921 the Department of Agriculture has done considerable advertising in the public press of the country. Could the minister tell me what the whole amount was, and how much money was expended with each newspaper? I do not suppose he has the information at hand and if he has not I would be glad to receive it before the consideration of his estimates is concluded.

Item agreed to.

Seed, feed and fertilizer control, including grants to seed fairs, etc., $305,000.

Mr. MOTHERWELL: The seed fairs are given subventions by the various provinces. This vote is divided into three parts. Under the seed branch we have six zones with a seed laboratory in each—at Calgary, Winnipeg, Toronto, Ottawa, Quebec city, and we have one in the Maritime provinces. The testing, analysis and grading are handled in these respective centres. Under the Fertilizers Act they have to do many things, in connection with legislation passed here recently. The Fertilizers Act has to do of course with the analysis of fertilizers, to see that the farmers are not sold spurious fertilizers, which have not the manurial value that they profess to have.

We have a great variety of seed fairs, and the amount of subvention depends upon the size of the fair and the character of the work. The grants to seed fairs are made on a basis we often work on, conditionally, and of course some of them get a small grant. These grants are made according to the prize list and the support given by the respective provinces On that account the grants will naturally vary, but that is the policy that has been in force for ten or twelve years. There has been a great deal of improvement in our seed supply, particularly in the development of the work of the Seed Growers' Association through the medium of this system.

Mr. McGIBBON: How many fertilizing plants are there in Canada?

Mr. MOTHERWELL: I am afraid we have not got that information. There is quite a number in the Maritime provinces and Ontario.

Mr. McGIBBON: You can surely tell us some of them.

Mr. MOTHERWELL: We do not keep a list of them, but I think we can get that information. My information is that before the manufacturers can become eligible for the business they have to take out a license and have to get a certificate for the particular brand of fertilizer that they issue, subject to analysis before it is sold. My deputy will take a note of that.

Mr. McGIBBON: Will the minister tell us what amount of fertilizers are imported?

Mr. MOTHERWELL: I have not got that either.

Mr. ROGERS: Surely the minister will have some information in respect of the seed, feed and fertilizers, when he is asking the House to vote $305,000.

Mr. MOTHERWELL: That amount is for the whole thing. I will give the allocation of the respective divisions and that will bring it down to something definite.

Mr. ARMSTRONG (Lambton): What is the reason for the $10,000 increase?

Mr. MOTHERWELL: Certain additional work has been allocated to this branch, the administration of the act with respect to hay and hides, thus involving additional clerical assistance and travelling expenses. It is to take care of that. These matters were formerly under the Department of Trade and Commerce but have been transferred to my department. I understand that for the purpose of economy some inspectors do the work of the seed branch and the administration of the Fertilizers Act; consequently they are not kept separate. At first I thought they were. The whole inspectional staff takes care of the work. The details are as follows:

To provide inspection service for the administration of the Seeds Act, Feeding Stuffs Act, Fertilizers Act, and Inspection and Sale Act; to establish and maintain analytical laboratories for the testing of seeds, feeding stuffs, and fertilizers; to encourage the production of superior seeds for domestic requirements and export; to encourage the manufacture and intelligent use of good quality fertilizers; to further develop export

markets for seeds and feeding stuffs; to establish and maintain a markets intelligence service for seeds, feeding stuffs, and fertilizers.

General Administration—	1925-1926	1926-1927
1. Staff—inside service.		
2. Office supplies..	$ 6,000	$ 6,000
3. Publications and stationery..	5,000	15,000
	$11,000	$21,000
Production and Markets.—		
4. Subventions for seed crop competitions, seed exhibitions and seed centres.. ..	$60,000	$50,000
5. Market reporting service..	6,000	4,000
6. Development of domestic and export markets for seeds and feeding stuffs..	5,000	2,000
	$71,000	$56,000
Inspection and Sale Act.—		
7. Organization hay and straw standardization..	$ 2,500	$ 2,000
8. Supervision binder twine, oil products, hides, etc.. ..	.....	2,000
	$ 2,500	$ 4,000

And then it goes on with the various laboratories to which I have referred, from the Maritimes to the Pacific, as follows:

Laboratory and Inspection Services—1925-1926	1926-1927
9. District No. 1—The Maritime provinces..	$17,680	$18,145
10. District No. 2—Quebec.. ..	37,880	38,750
11. District No. 3—Eastern Ontario..	17,660	19,210
12. District No. 4—Western Ontario..	44,040	48,900
13. District No. 5—Manitoba and Saskatchewan..	40,975	45,695
14. District No. 6—Alberta and British Columbia..	38,265	41,800

These services are to a large extent carried by the fees which are charged at certain times of the year. When there is no rush on the laboratory the work is done free. In the early part of the year, in order to ensure samples coming in, especially for testing purposes, analysis is done free. Later on it is charged for.

Mr. ROGERS: Is the minister really sure these items he is quoting come under this estimate?

Mr. MOTHERWELL: Oh, yes.

Mr. ROGERS: I do not think the cost of laboratories comes under this item.

Mr. MOTHERWELL: This is administration. They have all been established for some time, except one in Toronto, which was constructed by the Public Works department in the usual way.

Mr. ROGERS: Does it take $48,000 to administer the laboratory in Toronto?

Mr. MOTHERWELL: The whole inspection staff for the province of Ontario radiates out from the city of Toronto, and I may say that is the centre of a large proportion of the seed business of this province and includes all the activities of the various subdivisions, both feed and seed, and fertilizer and hay inspection as well.

Mr. STEWART (Leeds): As the minister has all these inspectors and is following up the fertilizer production very closely, I would like to ask what has been the effect upon the price to the Canadian consumer of the reduction of duty or the putting of fertilizers on the free list? Has there been any reduction in the price?

Mr. MOTHERWELL: I do not know that I could prove to the satisfaction of my hon. friend that the reduction in price that has taken place is directly attributable to the reduction in the duty, but the fact remains that the price to the consumer has gone down since the reduction in the duty. It may have been a coincidence or a result of the reduction in the duty.

Mr. STEWART (Leeds): Has the price not gone up again?

Mr. MOTHERWELL: I think not. Like anything else, it will fluctuate in price in any case.

Mr. McGIBBON: What percentage of nitrogen does the department demand in fertilizers? How does that percentage compare with the percentage in fertilizers imported say from Chili and what is the relative value of the two?

Mr. MOTHERWELL: That involves a very long answer and a great deal of information.

Mr. McGIBBON: If my conception of the chemical composition of this product is correct, you cannot give a relative value unless you know the relative quantity of nitrogen in the different fertilizers. Surely the minister has some idea of the percentages.

Mr. MOTHERWELL: Each of these fertilizers calls for a certain analysis, and when samples are put on the market it is the duty of the inspector to see that they comply with the analysis. I cannot carry that in mind all the time.

Mr. McGIBBON: I quite agree with the minister that his mind cannot be an encyclopedia, but there must be some definite regulation in vogue in his department. Does he demand in the imported as well as the domestic product a similar standard of nitrogen in order to protect the consuming public?

Mr. MOTHERWELL: On the sack or whatever other container these fertilizers are placed on the market in there must be marked a description of the quantity of, say, the nitrogen content and the fertilizer is held responsible to be what it purports to be. For instance, if it purports to contain 25 per cent of nitrogen, it must live up to that percentage. The Fertilizer Act of 1922, referring to fertilizing substances in their commercially pure state, says that they must contain not less than the following percentages:

Nitrate of soda, 15 per cent nitrogen.
Sulphate of ammonia, 20 per cent nitrogen.
Superphosphate (acid phosphate) 16 per cent available phosphoric acid.
Basic Slag, (Thomas phosphate), 10 per cent total phosphoric acid and 80 per cent fineness.
Natural rock phosphate of stated origin, 25 per cent total phosphoric acid and 80 per cent fineness.
Sulphate of potash, 48 per cent potash soluble in water.
Muriate of potash, 48 per cent potash soluble in water.

The basic slag is the by-product from the steel mills, wherever they may be. I saw them in Sydney.

Mr. McGIBBON: The minister does not understand the purport of my question. In order to protect the public who do not know the chemical analysis and who practically think one bag of fertilizer is equal to another, has the minister any definite standard to which he makes not only the importer but the domestic manufacturer conform?

Mr. MOTHERWELL: Perhaps I failed to make the matter plain. If they purport to put a fertilizer of this description on the market it must comply with those percentages of nitrogen, or whatever it is. If they desire to put a mixed fertilizer on the market or a different one from the description, they must put the percentages on the bag and live up to those percentages.

Mr. McGIBBON: I quite understand that. The point is this: Are these regulations made by the department, or do they allow the manufacturer to make any strength of fertilizer they wish if they put the percentage on the bag?

[Mr. Motherwell.]

Mr. MOTHERWELL: Yes, but he must live up to those percentages.

Mr. McGIBBON: I do not think that is fair to the consumer because, in ninety-nine cases out of a hundred he is not capable of differentiating between the value of the two percentages. He thinks one bag of fertilizer is as good as another, whereas it may not be half as good. It is the duty of the department to protect the consumer by establishing a standard and making the domestic manufacturer as well as the consumer conform to that standard.

Mr. MOTHERWELL: These artificial fertilizers are so innumerable that I am afraid my hon. friend's system of classifying and standardizing them would be much involved. There is no such thing as a "best" fertilizer any more than there is a "best" wheat or a "best" medicine. It depends on what you want the fertilizer for or how needful the land is for a particular fertilizer or what crop you are going to grow on it.

10 p.m.

Mr. McGIBBON: The minister will agree with me that the main constituent of these fertilizers is nitrogen.

Mr. MOTHERWELL: It is one of them.

Mr. BOUCHARD: Has the hon. member any reason for saying that nitrogen is the main constituent?

Mr. McGIBBON: That is not a disputable point.

Mr. BOUCHARD: It is.

Mr. ROSS (Kingston): Does the minister not issue a pamphlet on fertilizers recommending certain ones as being superior to others? There is a pamphlet issued by the department giving the composition of these fertilizers and stating which is the better one. That would cover all this.

Mr. MOTHERWELL: I do not think we could recommend a fertilizer unless we knew what it was required for, any more than a doctor could prescribe a medicine without knowing what was wrong with the patient.

Mr. ROSS (Kingston): Does the department not make recommendations in this pamphlet on fertilizers?

Mr. MOTHERWELL: I have tried to make that plain. If land is sick for nitrogen, we prescribe nitrogen, just as if a man is sick for something or another the doctor would prescribe it.

Mr. ROSS (Kingston): If the minister would let the deputy stand up he would explain what my question refers to.

Mr. MOTHERWELL: What does my hon. friend want? Is that not plain?

Mr. ROSS (Kingston): It is not an answer to my question at all.

Mr. MOTHERWELL: What does my hon. friend want? Let me repeat, Mr. Chairman, there is no such thing as "best" fertilizer. It depends on the crop to be grown and the land you are dealing with.

Mr. STEWART (Leeds): I think the minister said that every domestic manufacturer had to take out a license. How many Canadian manufacturers have done so in the last year?

Mr. MOTHERWELL: Approximately fifty. I have had correspondence with a good many myself, but I cannot recollect them all. Most of them were in the Maritime provinces, some in Ontario.

Mr. SUTHERLAND (South Oxford): Surely the minister does not intend to convey the idea that our experimental farms are not in a position to recommend the kinds of fertilizers which should be used in certain districts and soils? I think that is the information the hon. member for Kingston City (Mr. Ross) desires.

Mr. MOTHERWELL: I tried to make that plain. The best way I think to illustrate that is to ask: Could any medical man prescribe a flat dose for my hon. friend, no matter what was the matter with him?

Mr. McGIBBON: He might for the hon. minister.

Mr. MOTHERWELL: That might be.

Mr. ROSS (Kingston): After a little rest, Mr. Chairman, may I point out to the minister that his department issues a bulletin on fertilizers which contains certain recommendations. Now, does he not know that that pamphlet is being issued? If one is not sent to him I will hand him my copy.

Mr. MOTHERWELL: We are issuing those bulletins continually. Supposing we are dealing with the Maritime provinces, where they grow potatoes largely and use certain fertilizers, we would always have an eye single to what the fertilizer was to be used for; we would not issue the same instructions for that part of the country as we would to some other part where a different crop was being grown and where an entirely different fertilizer would be required. Would my hon. friend from Kingston, as a medical man, issue the same kind of prescription for everybody?

Mr. ROSS (Kingston): If I were administering the department I would be willing to answer any questions. The bulletin does not say that the fertilizer is for Nova Scotia, Cape Breton, or Ontario; it gives the composition and recommends it. I was trying to get the minister out of a difficulty by my question, but it is impossible.

Mr. MOTHERWELL: Every fertilizer contains three essential ingredients: nitrogen, potash and phosphoric acid. The proportions of these ingredients vary according to the particular crop you intend to grow and the deficiency of the soil in any of these chemical elements.

Mr. FLEMMING: In some parts, particularly in the east, the farmers use what they call home-mixed fertilizers. They purchase the chemicals and do the mixing themselves. The results are very successful and they save considerable money in this way. Is any effort being made by the department to determine the purity of these chemicals? It is very important that the imported ingredients shall be exactly what they are represented to be.

Mr. MOTHERWELL: Yes, the chief work of the branch is to see that the imported stuff is what it is supposed to be, and worth the money for manurial purposes. Their inspection discloses any spurious contents.

Mr. FOSTER: Mr. Chairman, on page 6 of the bulletin to which the hon. member for Kingston (Mr. Ross) has drawn attention I find that prices of Belgian basic slag of sixteen per cent analysis are quoted for the Maritime provinces and elsewhere. Will the minister tell us why the price of Nova Scotia slag is not quoted?

Mr. MOTHERWELL: I remember we discussed the question two or three years ago. Basic slag is the by-product of the Sydney smelter?

Mr. FOSTER: Yes.

Mr. MOTHERWELL: I understand that it is all exported; there is none placed on the home market.

Mr. FOSTER: Mr. Chairman, for the information of the minister I may tell him that it is not being exported. It is not on the home market, as he says, but for a very

different reason—because that plant has been forced to close down by the importation of Belgian and other slag, which importation has been stimulated by lowering the duty. That industry in the Maritime provinces is entirely wiped out. I took some interest, naturally because it was a matter of great importance to our people, to find out whether or not the farmers were getting their fertilizer any cheaper by virtue of the fact that this industry was put out of business. I find that after they succeeded in closing down our industry the price of fertilizer in the Maritime provinces advanced three dollars a ton, and there is intimation of another two dollar raise, which seems to be the old story repeating itself, that directly the local manufacturer is put out of business the foreign monopolists put up the prices to whatever limit they see fit. I am forced to the conclusion that it is no use trying to impress upon this government that industry is of value in the Maritime provinces, or in any other part of Canada, because a moment ago I tried to get from the Prime Minister before he left the House an expression of opinion on a very important item that was promised by the Minister of Agriculture, but before he got around to it he was shut off by the Chairman, who called the item and it was passed. So I despair of getting any assistance at all from the minister so far as this item is concerned, and I merely rise to tell him that the government succeeded in putting the local industry out of business.

The CHAIRMAN: I must direct the hon. member's attention to the fact that I did not shut off discussion and I call upon him to withdraw his statement.

Mr. NEILL: Mr. Chairman, I think I can throw some light on this subject, although not from personal knowledge. It was brought up last year or the year before, and a statement similar to that repeated now by my hon. friend opposite was then made, that owing to the reduction of the duty on fertilizers the plant at some particular place in Nova Scotia had been ruined. A few weeks later an hon. member on this side of the House, whose constituency was immediately adjoining that in which the plant is located, said he would give the real explanation of why the plant was closed down—in the first place he said, it had not closed down since the change in the duty, it had been closed down two years and a half before the reduction was made. In the second place he explained the reason for the closing down of the plant. This basic slag, which is a by-product of steel, they had been selling to the farmers as an article which analysis and experience had proved to be good. In the course of time the particular works from which this by-product was made changed their system of making steel from the open hearth to the Bessemer method, or vice versa —I do not know which. At any rate they changed the system with the result that the basic slag, while it would still give a chemical analysis, had lost its value as a fertilizer by reason of the fact that it was no longer soluble in water. And this notwithstanding they continued, either in ignorance or deliberately, to sell this non-fertilizing basic slag to the farmers of the neighbourhood until by bitter experience the farmers discovered the difference and ceased to buy it, the consequence being that the fertilizer plant went out of existence. That was the charge which was made on the other side of the House and which was answered on this side, as will be seen by reference to Hansard. Just before I close let me reply to an hon. member opposite who made the statement that there were no fertilizer plants in Canada now. There are three in British Columbia at the present time, all doing an increasing business.

Mr. FOSTER: I rise in order to restate what I said before. I had no desire, Mr. Chairman, to intimate that the shutting off of the discussion was deliberate on your part. I merely suggested that the Prime Minister was unable to speak, as had been suggested by the Minister of Agriculture (Mr. Motherwell) in answer to my inquiry regarding the government's position in the matter of an imperial preference for our apples.

The CHAIRMAN: I do not think it is fair for the hon. member to put it even in that way. I have been very generous to hon. members who have taken part in the discussion of the various items which have been considered in the course of the day, having allowed a great deal of latitude. It is therefore unfair of the hon. member, both to the Chair and to the committee, to put his explanation in that form.

Mr. FOSTER: I shall be happy to put it in any form you suggest, Mr. Chairman. I am only too delighted to come within the four corners of the rules both in the House and in committee, and if I assure you now that I retract the statement wholly I trust that this assurance will bring back that pleasant smile which we all like to see, and that we shall proceed as agreeably as before. Just a word in reply to the hon. member (Mr. Neill). I do not know who made the explanation to which he has referred, but

certainly the department has facilities for examining basic slag produced in Nova Scotia, and this is the first time I have heard it suggested that anyone had claimed that their analysis was not up to standard or that the effectiveness of the fertilizer had been questioned. It has been tried not only in one locality but in thousands of places, and the explanation which the hon. member says was given is certainly no explanation at all. It is absolutely not in accord with the facts as given to me by the people who used the material.

Mr. NEILL: It is in accord with Hansard of last year or the year before.

Mr. McMILLAN: I can offer some information, derived at first hand, in regard to this subject. I was a representative of that company under Mr. C. L. Walker in our section of the country for years. Indeed, Mr. Walker has slept in my house a good many times. He stopped sending the fertilizer into our section for the reason that it was no good, as we knew from experience. There is no use taking half an hour to answer the point; it has already been answered.

Mr. HARRIS: If the hon. gentleman (Mr. McMillan) will look into the question he will discover how wide of the mark he is. The duty of the Department of Agriculture, in view of this very vote we are now discussing, should be to see to it, by means of a registration system and a method of inspection throughout the whole of Canada, that the goods sold to the farmers of the country are up to the mark and in accordance with the analyses which should appear either on the bag itself containing the article, or on the tag appended to that bag. The information which the Department of Agriculture issues throughout the country should be supplemented by the efforts of men such as my hon. friend representing firms trading in Canada, and more particularly outside Canada, in order to make sure that purchasers shall know exactly what they are buying. And if an article is not up to specification the fact should be reported to the department which is to-night asking for this vote for the purpose of continuing this work.

My hon. friend (Mr. Foster) is on solid ground when he tells the House that the fertilizer industry in Canada, from the Atlantic to the Pacific, was imperilled by the action of the government in taking off the duty of ten per cent which had been in force on this commodity. The reason for the damage to the fertilizer industry in Canada was perhaps not so much the fact that the manufacturers wanted a protection of ten per cent, as the fact that our manufacturing plants being in a large number of cases considerable distances away from the agricultural communities requiring the fertilizer, the cost of transportation made competition impossible with manufacturers nearer at hand. Let me give a concrete illustration. The city of Montreal is a considerable distance away from the Maritime provinces, who are large consumers of fertilizers; the New England states are comparatively close to those provinces. The records show that immediately this ten per cent duty was taken off, the United States product came in. Previous to that time that protection had enabled manufacturers in Canada as far west as Hamilton and Toronto to sell their product to the Maritime provinces, in spite of the freight rate; but as soon as the reduction was made the producers in Hamilton, Toronto and Montreal found themselves unable to compete with the New England states, so that one by one they went out of business. After they had ceased operations the price of fertilizer to consumers in the Maritime provinces, in Ontario and throughout Canada was raised dollar by dollar, until to-day the farmers are paying more per ton for the American product than they had to pay for the Canadian article before the protection was removed.

Another concrete illustration may be drawn from the city of Hamilton. That city is reasonably close to the Niagara peninsula; so is the city of Buffalo. And in the city of Buffalo such tremendous plants as the Crocker, the Millsom and the Buffalo Fertilizer works, and some four or five other large enterprises find it advantageous to dump their surplus manufactures into Canada after first supplying the home trade. When that ten per cent duty was in force it was sufficient to prevent this dumping, especially in that very large consuming area in the Niagara peninsula. With a slight protection of ten per cent the manufacturers in Hamilton, Toronto and other centres of production in Ontario were in a position to supply the Niagara peninsula, but to-day we find lying idle in Hamilton a plant capable of manufacturing 10,000 tons of fertilizer per annum and which is waiting for any bidder who wants to acquire any portion of it. It went out of business immediately upon the removal of the ten per cent duty. Take the Swift Canadian Company, which is a large manufacturing concern in Toronto. Originally they were engaged in the city of Toronto in the manufacture of fertilizers from the by-products produced in that city, but they have found it not to their advantage to

continue the manufacture of fertilizers there, and to-day, although they are selling the same brands from Toronto, where are those brands being manufactured? They are made in their plants across the line, and then shipped into the Niagara peninsula. They go through the same avenues of sale as they did previously, but the point of origin is no longer the city of Toronto, but rather the factories which they control and operate in the United States of America.

One hon. gentleman to-night raised a point which is worthy of note, namely, that the most expensive constituent in the fertilizers which are necessary to recuperate the soils of Canada is nitrogen. It will be interesting for this committee to know that according to the report on fertilizers issued by the department, and to which the hon. member for Kingston referred a moment ago, nitrogenous products, which are the base, and the expensive base, used in the manufacture of complete fertilizers in Canada, have been exported from this country since the duty was taken off—mark you, they were exported previously, but not to quite the same extent—to the amount of 29,500,000 pounds last year. That 29,500,000 pounds of nitrogenous product is sufficient base, and expensive base, to manufacture complete fertilizers to the amount of 90,000,000 pounds. That 29,500,000 pounds of raw product was exported from this country largely to that great fertilizer centre in the United States, Baltimore, to be made up there into complete fertilizers, and to a degree shipped back to the consumers in Canada. That represents $500,000 that the manufacturer of this nitrogenous product received for his product from the Baltimore broker or buyer. If that base instead of being shipped in a raw, coarse state largely to Baltimore had been worked up into complete fertilizers in this country—and everybody in this House knows that this country does need in a great many parts complete fertilizers to carry on intensified farming operations—it would have brought to the manufacturers of that product, to the labourers and all who were engaged in its production, the sum of $900,000.

Mr. NEILL: Did the hon. member say that Canada exported the amount he stated of nitrogen?

Mr. HARRIS: Of nitrogenous products.

Mr. NEILL: In what shape?

Mr. HARRIS: In the shape of a tankage which would analyse on the average 6 per cent of nitrogen and 20 per cent of bone phosphate of lime. One ton of that tankage, containing 6 per cent of nitrogen, 20 per cent of bone phosphate of lime, together with sufficient potash added to make up a grade such as 2.82 fertilizer, would make up three tons of complete fertilizer which our farmers would buy.

Mr. NEILL: Will the hon. member not admit that the main source of nitrogen is obtained from nitrate of soda, which is produced in Chili and brought up here—imported, not exported?

Mr. HARRIS: That is one source, but not the main source. If the hon. member will allow me to go one step further, I say that we exported last year 29,500,000 pounds of nitrogenous products, products indigenous to this country and gathered in this country. Would it not be better, instead of allowing those by-products to go to waste by the abattoirs in this country, to manufacture them into complete fertilizers, rather than to continue this extravagant importation and the displacement of that business in this country by that extravagant importation? If that industry is going to be put out of business in this country, it is time that we replaced that little 10 per cent duty which was on previously, and which permitted us to overcome the handicap of the freight rates which are so hard on us, due to the fact that the point of origin is far from the point of consumption. Let us again get back to the position where we shall manufacture sufficient complete fertilizers to meet the demands of this country in order that we may not only do business among ourselves, but save as well these by-products which are going to waste by the hundreds of tons in all the large centres of population, and which could be turned into a product which our farmers would be glad to buy from us. If the duty were replaced, it would revive this industry, which is indigenous to this country, being so closely allied to agriculture, which everyone knows is our basic industry.

Mr. McMILLAN: My hon. friend from Toronto-Scarborough has taken us into the question of soil fertility and soil cultivation. When he begins to tell us that the tankage from slaughter houses is the great basis for nitrogen, I would like him to realize that in any successful system of agriculture it is not to that source that farmers look for nitrogen, but to the atmosphere, where we find a composition containing 80 per cent free nitrogen. Those who have been trying to operate their farms to the best advantage realize that the best encouragement we can give agriculture is to grow such crops that we are able to get

that nitrogen from the air upon terms which are actually better than getting it for nothing, and that is through the growing of alfalfa, sweet clover, peas, beans and that sort of crop. It is all right for my hon. friend, from his point of view, to talk in the manner he does, but we have found as a result of many years' experience, so far as our immediate section is concerned, that so long as we can get the potash and the phosphoric acid, and along with it so much lime, we can get nitrogen very much cheaper than we can buy it in the shape of artificial fertilizer purchased from the factory at a high price.

Mr. SUTHERLAND (South Oxford): My hon. friend will agree that it is much easier to get that nitrogen from the air if the soil is in good condition, and that the soil can be brought into that condition much more quickly by the application of commercial fertilizers. The argument advanced by the hon. member (Mr. Harris) is borne out by the trade returns of Canada for the year 1925. These show that the year before the duty was removed from commercial fertilizers not a pound of nitrate of soda was imported from Chili, whereas last year the importations amounted to 17,270,274 pounds. It is quite apparent to everyone who uses commercial fertilizers on their farms that the price did go down for a few months until it served the purpose of those who secured control, but the price to-day is higher than it was before. Having put the industries almost completely out of business in this country to-day the prices are fixed at Baltimore for the factories which are still operating in Canada. There are still a few of them in operation here but the prices are fixed for them by those who are in the business at Baltimore. The Baltimore people realize it will not be to their advantage to have every one of these fertilizer factories closed, because that would very probably induce the government of Canada to reimpose the tariff against American fertilizers. They still allow a number of factories therefore, to do business in Canada, provided they are allowed to fix the prices, and the Canadian factories do not enter into competition with those engaged in the industry on the other side. I think this is one of the clearest examples of the folly of the course which is being pursued by the present government. Those people who had invested money in this industry in Canada have seen their business in the main destroyed and transferred across the line, and Canadians are at the mercy of a bigger combine than they ever dreamed of. In addition they are paying much more for fertilizers. If the minister will look at the trade returns he will find that the arguments advanced by my hon. friend (Mr. Harris) are borne out to the very letter.

Mr. EVANS: In my opinion the duty on fertilizers did not do either the manufacturer or the agriculturist any good. According to the admission of the two last speakers to my right, the industries for whose benefit the duty was intended have gone to pieces. Before that stage had been reached their product had become too dear for the Canadian agriculturist to use in the manner he desired. One of the largest users of fertilizers in the Maritime provinces, as well as one of the largest potato growers, was the gentleman who sat in the last parliament for Carleton-Victoria, Mr. Caldwell. When this subject was under discussion in 1922, Mr. Caldwell pointed out, as will be found by reference to page 3140 of revised Hansard, June 17, that while we collected a little over $50,000 during the last six years from the duty on fertilizers, the manufacturers charged the Canadian consumer some $3,800,000 extra on account of the duty. Mr. Caldwell was complaining at the time that the cost of raising potatoes was too high. He went on to say that with the exception of acid phosphates the materials entering into the manufacture of fertilizers were free. He said he wanted the duty reduced to five per cent, and added:

> There would be little loss of revenue on this account either; we collected less than $90,000 a year during the last six years, but we have paid to the manufacturers or mixers over half a million dollars per year on the material they brought in free. They are able to charge us this year $9 more than is paid by the farmers in Maine for the same product. Last year the difference was $15.

So we see that while we have kept that spoon-fed industry going for some years in our midst the other industries that were dependent on it have been killed. The tariff on fertilizers has proved a failure, and has been detrimental to the general good of the nation.

Mr. McGIBBON: What is the price to-day?

Mr. FOSTER: Just a word or two in reply to the hon. member for South Huron (Mr. McMillan) that hon. gentleman seemed to think he had absolutely closed the entire case by saying that the reason this basic slag company had gone out of business was because their product was of no use, and he stated that he himself knew that because he had handled the product. I merely wish to point out that not merely is the hon. gentleman misinformed, but that if he were to repeat the statement elsewhere it would be characterised

in language far from parliamentary. The fact remains that the price to the Canadian consumer of fertilizer has risen from $3 to $5 more than it was, in fact the price has become so high that these manufacturers are able to compete, and are coming back into the market with their product. This conclusively shows that the reduction of the duty put them out of business and produced conditions with which they were unable to compete. However, since the price is returning to the original figure they are opening up their manufacturing establishments again. An hon. gentleman near me disputes this statement, but I am informed that the facts are as I have stated.

Some hon. MEMBERS: Oh, oh.

Mr. FOSTER: Some of my hon. friends are rather amused. Let me tell them that if they investigate the subject they will find that undoubtedly prices have been raised to the consumers and a number of factories have gone out of business.

Mr. BOUCHARD: Please give us some figures showing those prices.

Mr. FOSTER: I should be very glad to do so, but I did not realize that this question was coming up to-night and therefore did not have the necessary figures available. I promise my hon. friend, however, that I shall be prepared to accommodate him on the first occasion that offers.

Mr. BOUCHARD: I challenge you to prove it.

Mr. FOSTER: Why does not my hon friend, if he is so anxious to get figures, ask the minister to give the desired information? Surely this is information to which the House is entitled.

Mr. HARRIS: If the minister does not want to give the information let me tell the committee that in the little town of Fergus, situated 70 or 80 miles north of Toronto, at the time the duty was taken off acid phosphate, 80,000 pounds of fertilizer a year were bought through a co-operative society. At that time they paid as low as $16 a ton but the best price they could get this year was $20.80 per ton.

Mr. STEWART (Leeds): Surely the minister in charge of this matter ought to be able to give some information as to the prices for feritilizer in Canada this year compared with last year and previous years.

Mr. MOTHERWELL: I was going to make the suggestion that we might be able to get from the Seed branch the prices of these fertilizers for some years before the duty was taken off—I think that occurred in 1924—as compared with the relative prices at the present time. We do not happen to have that information, and I admit it would be interesting. Up to the present we have not had any necessity for using this fertilizer on the plains of the west. For that reason, I suppose, our western friends, including myself, have not made the same study of the subject that eastern members have. But it certainly is news to us all that the way to get cheap fertilizers is to tax them.

Mr. CAHAN: You are propounding a truth nevertheless.

Mr. MOTHERWELL: I am always ready to sit at the feet of any eastern Gamaliel on this or on any other question and learn, but I often read of this matter before I had the privilege of being in parliament. There has been an agitation for fertilizers for certain crops, and there has been an agitation by farmers for certain classes of fertilizers. My hon. friends opposite take the ground now that the way to develop eastern agriculture—it is not yet applicable to the plains; it may be some day, possibly—is to tax the fertilizer which the farmer purchases for his land. If that is true, I have to throw up my hands and say I do not know anything about this subject.

Mr. MEIGHEN: Hear, hear.

Mr. ROGERS: Perhaps the minister would refer it to the tariff advisory board.

Mr. MOTHERWELL: I was going to suggest that we might refer it to them.

Mr. STEWART (Leeds): Would the minister allow me a question in regard to binder twine? Perhaps he knows about that.

Mr. MOTHERWELL: Yes.

Mr. STEWART (Leeds): How does that compare with the price before the duty was removed?

Mr. MOTHERWELL: I am afraid I will have to assume charge of another department as well as Agriculture before I deal with all these problems. But the best I can suggest is that this be dealt with before the advisory board, and I think that it will be all right. I am not joking about this.

Mr. STEWART (Leeds): It is a question of price as compared with the duty.

Mr. ROSS (Moose Jaw): Will the hon. member permit a question?

Mr. MEIGHEN: The minister has those prices; he publishes them every week over his own signature and sends them to me, yet he says he does not know anything about it because he lives on the plains where they do not know anything about fertilizers.

Mr. MOTHERWELL: Not this kind.

Mr. MEIGHEN: No, not this kind, but the kind the minister distributes all over the west. I am pointing out that the minister every week publishes the prices of fertilizers, so that he knows them quite well.

Mr. MOTHERWELL: Excuse me, I do not.

Mr. MEIGHEN: I followed his pamphlets week after week, and only a few short weeks after the duty was taken off, in his own pamphlet he showed that to the Canadian consumer it was higher all the time. But the result was that put the Canadian competitor out of business and put the American competitor in control. He had his Saskatchewan friends laughing because he said he was removing the tax on fertilizer. Of course if the minister is able to arouse enthusiasm in Saskatchewan by saying that every time you tax you raise the price, it is no tribute to his Saskatchewan followers. But how can you reconcile that with the fact that throughout the country Canadian competition is eliminated and the Canadian consumer pays the price dictated by the American manufacturer? The minister looks helplessly on and says he knows nothing about the subject.

Mr. MOTHERWELL: That is another matter. I did not say I did not know anything about it, but if the way to promote eastern agriculture is to tax fertilizers, then I said I knew nothing about it, and I admit that right now.

Mr. MEIGHEN: Then why do you tax fertilizers?

Mr. MOTHERWELL: That is a different matter.

Mr. MEIGHEN: It does not matter what you call it. You cannot change it by giving it a different name. You cannot deceive a clear brain by a phrase or a delusion. We know that the taking off of the tax affected the price in Canada because it eliminated competition. You cannot get around that fact. You may get a laugh from those who know nothing about fertilizers, but you cannot ignore the solid facts. They never collide; they are always in harmony. Here we are in this country, with at least hundreds of our workmen gone, producing our goods in the United States, and the Canadian consumer is paying out of his own pocket for the folly of the minister.

Mr. ROSS (Moose Jaw): Does the right hon. member, contend that by taking off the tariff you raise the prices of goods?

Mr. MEIGHEN: We do not have to contend; we simply have to show the facts as they exist. If the hon. member cannot see the facts, there is no hope of his understanding the argument.

Mr. ROSS (Moose Jaw): You admit that is a fact?

Mr. MEIGHEN: What?

Mr. ROSS (Moose Jaw): You contend that if the tariff is taken off the prices immediately rise?

Mr. MEIGHEN: We contend it and we know it, because we see the facts.

Mr. McLEAN (Melfort): Was that the only factor entering into the raise? There might be another factor operating.

Mr. MEIGHEN: If you will read the quotations from Baltimore as given by the hon. member for East York last session you will see that while the prices of goods rose in Canada the prices in the world market fell. In Baltimore, the centre of the fertilizer industry, prices were dropping, while in Canada they were rising.

Mr. McLEAN (Melfort): What would prevent a Canadian from bringing in these goods free of duty and selling them at the lower price?

Mr. MEIGHEN: He could bring them in if he paid the price dictated by the American manufacturer.

Mr. McLEAN (Melfort): The right hon. member stated that the prices had fallen in Baltimore and in the world market.

Mr. MANION: There have been many such cases all through the history of tariffs—

Mr. McLEAN (Melfort): Is the hon. member going to answer my question?

Mr. MANION: There have been many cases where the raising of the tariff has lowered the price. In the United States after they raised the tariff in 1861 they lowered the price on every line of goods manufactured in that country. The prices came down. Not only that, but since the war, when the British government put a tariff on a number of goods on which they had no tariff before, the prices of those goods came down in England, according to statements of Stanley Baldwin, the

Prime Minister. They have established industries which never existed before, but they have lowered the prices by putting up the tariff. It has been explained by hon. members on this side of the House that they have thus given a market to their own producers, and by producing on a large scale they have lowered the prices.

Mr. McLEAN (Melfort): Does the hon. member contend that the manufacturers in England did not take advantage of the tariff protection given to them?

Mr. MANION: No, I contend they took advantage of the protection given to them to keep the market to themselves, and lowered the prices to the people of England.

Mr. McLEAN (Melfort): I do not think the hon. member understood my question. I want to know if the manufacturer reduced his price below the level the tariff protection would have given him?

Mr. MANION: Absolutely. As soon as they got the market to themselves, so that they could purchase on a large scale—just as large production all over the world gives lower costs—they sold goods cheaper to the people. That is the statement of Mr. Stanley Baldwin. I can quote it, and I will do so later.

Mr. McLEAN (Melfort): The hon. member will admit that the manufacturers of England are different from those in Canada.

Mr. MANION: No, I will not admit that. I say the protective policy of Canada gives the manufacturers in Canada, and the farmers for that matter, an opportunity to hold the market for themselves; and they sell the goods cheaper when they can hold the market for themselves. That is what protection does. That is the mistake my hon. friends from the west make. If you take off the tariff you raise the prices of goods.

Mr. LAPOINTE: Get back to the argument.

Mr. MANION: The minister has been wandering from the argument. The minister dragged in the Petersen contract and gave that as a proof of his endeavour to better conditions in Canada, when we know that the only effect of the contract was to kill Sir William Petersen.

Mr. MOTHERWELL: I am trying to answer the hon. member's question.

Mr. MANION: I was going to ask the hon. gentleman (Mr. McLean), over there—he is a farmer—is it not true—

[Mr. Manion.]

Mr. RINFRET: Let us come back to the item.

Mr. MANION: My hon. friend had better discuss it in the House rather than go to Montreal and cast a lot of insults on members of this House as he did recently in a speech there. My hon. friend has a good deal more courage among his friends in the city of Montreal than he has in the House of Commons.

Mr. RINFRET: Will the hon. member mention one of the insults?

Mr. MANION: I can mention many of them; I saw them in the Montreal papers. I was going to ask my hon. friend a question if I am permitted. Supposing a farmer sells, for example, 1,000 bushels of potatoes, can he not afford to sell 1,000 bushels cheaper than if he sells only 500 bushels and lets the other 500 bushels go to waste?

Mr. McLEAN (Melfort): Not necessarily.

Mr. MANION: He certainly can, and he can make money by doing so. The manufacturer does the same thing. By keeping the market to himself he cuts down the price to the consumer and gives work to Canadians.

Mr. McLEAN (Melfort): Will the hon. member tell us then, or will the small town lawyer to his right tell us—

The CHAIRMAN: I must ask the committee to come back to the item under discussion.

Mr. TOBIN (Wetaskiwin): I want to ask a question.

Mr. BLACK (Halifax): I think I have the floor.

Mr. TOBIN (Wetaskiwin): How is it that during the war the government led by the present leader of the opposition (Mr Meighen) reduced the tariff on tractors for the purpose of lowering the price in the interest of production?

The CHAIRMAN: I must ask the committee to come back to the item under discussion. The senior member for Halifax has the floor.

Mr. BLACK (Halifax): I do not know whether the minister understands the situation with regard to the manufacture of fertilizers in the constituency which I represent. Prior to the time that the duty was removed from fertilizers we had in the harbour of Halifax a fertilizer factory which gave employment to a large number of men, as well as to stevedores and others in connection with handling the raw material that was

brought there to be manufactured. The duty was removed from fertilizers and the result was that the factory was closed. Those employed in the factory have been scattered, I cannot tell where; probably with many hundreds, many thousands of others, they have crossed the line and are now earning their living in the United States. Instead of this factory being in operation and a considerable sum of money being distributed in wages and in various other ways in my constituency, the factory is boarded up, and as we pick up our daily papers we find columns of advertising matter offering to farmers and other users of fertilizers in our country, Belgian and German fertilizers no cheaper than the home product.

Mr. BOUCHARD: They are better.

Mr. BLACK (Halifax): I am not prepared to say anything about that.

Mr. BOUCHARD: I am.

Mr. BLACK (Halifax): Probably they are no better. At any rate the production of that material in my constituency has been stopped, and instead of labour being employed there and money circulating in various ways in connection with that factory, it is closed up and we are importing from Europe Belgian and German fertilizers manufactured by cheap labour while our own people are deprived of employment in that connection. That is the situation as regards the one factory that I know about, and it is an example of many others throughout our province. They are not so large as many of the western factories and do not give as much employment or pay out as much money, but one after another is being closed up. This is a very serious matter to the people of Nova Scotia and it is one of the grievances we have in that end of the country.

Mr. SUTHERLAND (South Oxford): The item before the committee is a rather involved one:

Seed, feed and fertilizer control, including grants to seed fairs, etc.

You might say it consists of four subjects in one and I suppose that has something to do with the wide range the discussion has taken. What proportion of this appropriation of $305,000 will go for salaries and expenses of officials? I notice from the last Auditor General's report an amount of $166,344 was spent for that purpose. Perhaps the minister can give the committee some idea as to the amount for salaries and expenses in connection with the control of the distribution of seed, feed and fertilizers under this item.

Mr. MOTHERWELL: The same staff handles the three services.

Mr. SUTHERLAND (South Oxford): In view of the fact that the fertilizer business has been practically put out of business in this country I would imagine that instead of an increase in the estimate a reduction would follow.

Mr. MCTHERWELL: It is largely to keep tab on importations that the inspection staff is required.

Mr. SUTHERLAND (South Oxford): I am afraid the minister is keeping a little too much tab on things and not doing enough to encourage industry in this country. Only on Saturday I went into a place of business in the town where I live and complaint was made as to the number of government officials coming in, forcing them to make returns to the government that are absolutely useless, worrying people into making statements. Some of these people have to keep an extra staff in order to make out statements to the government. They have inspectors coming in, one looking after one particular business, coming in one day and on the following day another one looking after something else, when they might very well be combined. I notice from the Civil Service Commission report a few days ago that about twenty new officials are being taken into the department. There has been a tremendous increase in the staff of the Department of Agriculture since the minister took office. He certainly has not reduced expenses in that respect, and instead of combining four different subjects into one item the minister ought to give us an idea of how much of this vote is being devoted to each of them.

Mr. MOTHERWELL: My hon. friend never misses an opportunity of discussing the number of inspectors we require and the grievance that he holds against the Department of Agriculture because of their number. I took advantage of the opportunity of making a week-end visit to my hon. friend's district a few days ago. As we went through the town of Ingersoll I looked out to see if there was anything exceptional with respect to imported cheese.

Mr. SUTHERLAND (South Oxford): Of course the minister noticed along the river three factories, every one of which was closed down?

Mr. MOTHERWELL: We went on into Middlesex and spent the week-end there. I did not hear in that district any of these

complaints, not one. They were in the middle of the sugar-making season, and maybe that was the reason they felt pleasant and did not retail any of the perennial grievances of my hon. friend; but I was looking for them. The people did not seem to show by their vote the other day that they were aggrieved. Did the Minister of Justice hear any complaints while he was up there?

Mr. LAPOINTE: No, not a word.

Mr. MOTHERWELL: I ask the hon. member for Wetaskiwin (Mr. Tobin), did he hear any grievances of this kind?

Mr. SUTHERLAND (South Oxford): I have no doubt that the Minister of Justice was investigating those complaints when his train pulled out and left him!

Mr. MOTHERWELL: I have not heard one whisper of these grievances.

Mr. MEIGHEN: You have no time to listen to them.

Mr. MOTHERWELL: Maybe not. But what about the vote registered there the other day?

Mr. MANION: What about the vote registered on the 29th of October in every section of Ontario?

Mr. MOTHERWELL: Well, what about it?

Mr. MEIGHEN: Was there any Peace River agent there?

Mr. MOTHERWELL: Did any officer that the government is responsible for go wrong in any respect in Peace River? The returning officer did not go wrong; it was a deputy.

Mr. MEIGHEN: Oh, I see.

Mr. MOTHERWELL: Now, I have really forgotten what the hon. member for South Oxford (Mr. Sutherland) wanted to know. But I can make a pretty straight guess at it—something about inspectors. This work unavoidably and inevitably is largely inspectional. In order to keep down the very expense that my hon. friend is complaining about, the same staff administers seed, feed, and fertilizers; consequently the particulars are not kept separately.

Mr. SUTHERLAND (South Oxford): Do any of these inspectors go across the line and inspect the fertilizer plants?

Mr. MOTHERWELL: No.

Mr. SUTHERLAND (South Oxford): The tariff was referred to as a tax. Now surely the minister will not contend that commercial fertilizers are not higher in price to-day than they were before the tariff was removed? I think he had better let this item stand until he obtains for the House the exact prices of fertilizers.

Mr. MOTHERWELL: I am able now to give the information asked for by some hon. members with respect to the number of fertilizer firms that were established and operating last year in Canada. We were nine below the number. We estimated the total at fifty; we have fifty-nine in operation. There were two hundred and eighty-nine registrations of fertilizers.

Mr. McGIBBON: What is the capacity of those plants?

Mr. MOTHERWELL: I do not know.

Mr. SUTHERLAND (South Oxford): The minister will realize that these firms are not manufacturing fertilizers, they are merely mixing the ingredients, and the prices are fixed at Baltimore in every instance.

Mr. MOTHERWELL: A great many farmers are doing the mixing for themselves

Mr. SUTHERLAND (South Oxford): I suppose among the fifty-nine are included some farmers who are mixing their fertilizers on the barn floor.

Mr. MOTHERWELL: No.

Mr. McGIBBON: A few years ago during the war Professor McLennan of Toronto University reported that there were millions and millions of dollars worth of pure nitrogen gas escaping daily into the air. I think he was referring to the Okanagan Valley. That potential wealth is pretty hard to estimate. Has the minister's department, in view of the fact that this country is likely to use a large amount of fertilizer in the future, ever considered doing anything towards utilizing that vast potential wealth?

Mr. MOTHERWELL: We have done nothing in connection with it because we do not know where it is located.

Mr. McGIBBON: Might I recall to the minister's mind that the report was made by Professor McLennan, professor of physics in the University of Toronto, who rendered distinguished service during the war? I think he devised the plan that enabled the British Admiralty to close the straits of Dover to German submarines; and he discovered helium gas. In fact, he is one of the greatest scientists on this continent. People thought the gas was of no use because it would not burn. Surely the minister is alive to the immense potential wealth of this gas?

Mr. MOTHERWELL: Surely.

Mr. McGIBBON: Has his department considered taking any steps to utilize the gas?

Mr. MOTHERWELL: I will do so if my hon. friend will tell me where it is located.

Mr. McGIBBON: I refer the minister to Professor McLennan, who discovered it.

The CHAIRMAN: Carried.

Mr. DAVIS: Mr. Chairman, it was understood that this item should stand until the minister obtained the prices of fertilizers.

Item agreed to.

For experiments in dehydration of fruits and vegetables, $10,000.

Mr. TOLMIE: Mr. Chairman, we have had rather a busy day with agriculture ever since three o'clock, and as it is now after eleven I think we might stop at this point. We have made fairly good progress and have had a very interesting and delightful discussion.

Mr. MOTHERWELL: My hon. friend knows my weakness—I always capitulate to such a request. I move that the committee rise and report progress.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.10 p.m.

Friday, April 9, 1926

The House met at three o'clock.

REPORT OF COMMITTEE

First report of the select standing committee on Agriculture and Colonization—Mr. Kay.

INQUIRY FOR RETURN

On the Orders of the Day:

Mr. STEWART (Leeds): I would like to inquire of the government when I may expect a return to an order of the House made on March 15 for the production of correspondence, orders in council, etc., with reference to the administration of imperial pensions in Canada by this government.

Mr. LAPOINTE: As soon as the return is prepared I will be pleased to lay it on the table.

Mr. MEIGHEN: The minister should be able to answer better than that. Has he no information about it? This is a simple question.

Mr. LAPOINTE: The order has been sent to the department which it concerns and I have not as yet received the return. I have been in this House for over twenty years and I do not think a delay of one month is enough to complain about. I have seen longer delays than that.

ACTING MINISTERS

SOLDIERS' CIVIL RE-ESTABLISHMENT AND POST OFFICE DEPARTMENTS

On the Orders of the Day:

Mr. MANION: Might I ask who is the Acting Minister of the Department of Soldiers' Civil Re-establishment in the House of Commons? Is it my hon. friend?

Mr. LAPOINTE: There is no acting minister, because the minister is in office.

Mr. MANION: Then to whom should we apply in this House for information, if we wish it?

Mr. LAPOINTE: I do give that information occasionally, but I understand that the Minister of National Defence (Mr. Macdonald, Antigonish) would answer questions.

Mr. HANSON: May I ask who represents the Postmaster General in this House?

Mr. LAPOINTE: I have that honour and pleasure.

TEST VOYAGE—LINER REGINA

On the Orders of the Day:

Mr. PRICE: I would like to direct the attention of the Minister of Railways to an announcement appearing in the Halifax Herald under date of April 3, which is as follows:

White Star liner Regina that is having a test in making Halifax her terminus for this voyage, sails from Liverpool to-day, April 3, with passengers and cargo for Halifax. The liner is expected April 10 and will sail on her return trip April 14. Strenuous efforts are being made to fill the ship with return cargo.

In view of the fact that the Regina is making Halifax her terminus as a test case for this voyage, I would like to ask the Minister of Railways what effort is being made by the Canadian National Railways to furnish this ship with a return cargo.

Mr. DUNNING: I will be pleased to get that information for my hon. friend.

SOLDIER SETTLEMENT ACT AMENDMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved the second reading of Bill No. 17, to amend the Soldier Settlement Act.

Mr. MEIGHEN: I presume the motion is printed or the second reading would not be moved?

Mr. MACKENZIE KING: We announced last night that we would take it up.

Mr. MEIGHEN: I am aware of that. I rise only to say that I am not aware of the contents of the bill with reference to the special feature that was under debate, and in so far as that special feature relates to the principle of the bill, I do not wish the fact that we agree to the motion for the second reading to be taken as an acceptance of that feature of the principle.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Duff in the chair.

On section 1—Revaluation of land sold to settlers.

Mr. HANNESSON: May I ask the minister whether he is prepared to include those who may technically not be on the land, but who have done a certain amount of improvement work, and have resided on the land for, say, a minimum of five years? Is he prepared to put them on the same basis as those who come in under the empire settlement scheme and take up land?

Mr. STEWART (Edmonton): No. I may say that there is a considerable number of changes in the bill, though no changes in the first page of the bill. Probably I had better read the clause proposed with respect to revaluation.

Mr. HANNESSON: Can we not have a copy of the changes?

Mr. STEWART (Edmonton): I was hoping to have a reprint of the changes ready. I have not got them at the moment, but they may be here a little later. The proposed new clause (c) of section 68 reads as follows:

> The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present market value of the land as compared with the price at which the settler agreed to purchase the said land from the board provided that in any case where the actual sale price is greater than the maximum amount which under section 16 of this act may be advanced by the board in the purchase of land on behalf of any settler, such maximum amount shall be deemed the sale price for the purposes of this section.

There are several cases where the board was willing to pay, say for example, $4,000, but where the settler himself was so anxious to secure the land that he paid, say, $1,000 more. That $1,000 will not be taken into consideration in any revaluation, but simply the maximum amount paid for the land by the board.

Mr. HANNESSON: I am afraid the minister did not get my question.

Mr. STEWART (Edmonton): I was coming to that, but first I wanted to review briefly the provisions of this section.

With respect to the man who is now off the land and the man who is paid up on his land, their contracts are closed out, and they will receive no consideration.

Then there is another case, that of the man who purchased for, say, $3,000. He purchased at that price and paid nothing further himself. He has paid off all his indebtedness, we will say, except for the sum of $800. If in the revaluation he was entitled to a reduction of $1,000, there would be coming to him $200, but under the provisions of this section he will be credited only with $800; he will not be credited with anything further than the amount of his indebtedness to the board.

Mr. MEIGHEN: That is the way it was before; it is that way still?

Mr. STEWART (Edmonton): Yes.

Mr. HANNESSON: The case I had in mind was that of a man who has put in four or five years in occupancy and development and who is technically off the land, but has no desire whatsoever to abandon it, and whose contract has not been closed out in the sense of his land having been disposed of to someone else. Will he be put on the same basis as the new purchaser of the land? I am asking particularly with regard to the man who has put in, say, five years on the land, and has done from, say, one to two thousand dollars' worth of improvements. If he now desires to get the benefit of revaluation and resume possession and continue on the farm, will he be considered under this act, or is the man who comes in under the empire settlement scheme going to get the preference over the returned soldier who has put in five or six years on the farm and actually done work showing that he is a capable farmer?

Mr. STEWART (Edmonton): I am afraid section 68 (a) would cut him out, because he has to be actually residing on the land. I have not made any change in clause (a).

Mr. HANNESSON: There are some men who for the purpose of making a little money, and with no desire to abandon their land, have gone away, and technically they may be off the land, but if they now desire to continue under this revaluation, will the government consider their case?

Mr. STEWART (Edmonton): I could not go outside the limitations of the act, and section 68 (a) says very plainly:

Application for revaluation can be considered only when made by a settler residing on and himself farming the said land.

Mr. HANNESSON: I understand the minister to mean there the man who has definitely abandoned his land, but I am drawing his attention to the case of the man who did not wish to abandon his land, but found it impossible to stay on it for the time being, and I am asking if a preference is going to be given to the man who is coming out to Canada under the empire settlement scheme. Is the new settler to be given the right to buy at a lower price, but not the returned man who has put in many years on the land. and who now desires to purchase at the reduced valuation?

Mr. GARLAND (Bow River): Perhaps we can get at it in a different way. Is it not possible that the man to whom the hon. member for Selkirk refers could go back on the land and then make application for revaluation? Would not that meet the case?

Mr. HANNESSON: That would be satisfactory.

Mr. STEWART (Edmonton): In that case of course he would come within the provisions of the act as he would be actually residing on the land at the date he made his application.

Mr. HANNESSON: The minister does not quite understand my point. If a man has been technically off the land for years, having actually determined that unless there was a revaluation it would be hopeless for him to continue, but now under a revaluation he would like to continue, is he not to be given a chance?

Mr. STEWART (West Edmonton): That is, his contract is not cancelled, it is still in existence. If he moves back to his farm and takes up actual residence, he comes within the provisions of the act.

Mr. HANNESSON: Would the minister undertake to say that the application of any settler who wants to continue on his land will be considered within two months of the passing of this measure?

Mr. STEWART (Edmonton): I would say most emphatically that if he is on the land at the date he files his application, then he comes within the provisions of the act, and whether it is within two months or up to the date it must terminate, his application will be received.

Mr. HANNESSON: But the minister will remember that when this matter was first under discussion both the member for Neepawa (Mr. Murphy) and I drew attention to the men whom the board had tried to put off their lands. It is those men who are not now actually physically off the land that I am dealing with. If within two months of the passage of this bill they come back and say they want to continue on their land and come within the class who have been five years or more on the land and have done improvements to the extent of $1,500, will they be allowed to come in under the revaluation scheme?

Mr. STEWART (Edmonton): Yes. I think I would go further than that. I propose to amend the act by giving six months from the date of the passage of the act for the final filing of applications, so if the men were actually in residence four months after this measure becomes law they would come within its provisions.

Mr. HANNESSON: And in the meantime those lands will not be disposed of under the allotment to the Empire Settlement Board?

Mr. STEWART (Edmonton): I have been discussing the matter with the chairman of the Soldier Settlement Board, and he is extremely anxious that urgency be used in clearing this matter up, for the very reason that the hon. member for Selkirk (Mr. Hannesson) has mentioned, that a large number of men are waiting to see what is going to happen in the revaluation before they come to a final decision as to whether they will continue on their land or not. That is why we first thought of giving a year from the passage of the act for the filing of claims, but I have suggested that we reduce that time to six months in order that we might facilitate the operation of the act.

Mr. HANNESSON: In the meantime the minister will not—

Mr. STEWART (Edmonton): I beg your pardon. No action would be taken to dispossess any man until he had had an opportunity to make a final decision.

Mr. HANNESSON: I understand that under the empire settlement agreement a certain number of units have been promised, and that some work has already been done on them. Will the minister give the House an assurance that so far as the soldier settlement lands are concerned none of the units that pertain to any of those men who have not been absent more than a year will be

allotted under the empire settlement scheme, so as to afford those boys an opportunity to come back?

Mr. STEWART (Edmonton): Unless the land was going to be left idle I think I would be safe in promising my hon. friend that no action would be taken on the part of the Soldier Settlement Board. But in the event of a farm being unoccupied and unseeded, it might be necessary to take some action, as would also be the case where the men had voluntarily abandoned their holdings. But proceedings to dispossess them will not be taken.

Mr. HANNESSON: That is hardly wide enough, Mr. Chairman. If a man by reason of not having the money to seed his land last year, for instance, has gone out to work and wants to continue his farm, it would not be fair to him to say, "You were not on the land last year and you are not on it this spring," when practically the board had told him that he was not going to be allowed to come back. I am asking that the board reserve to those men who have done a substantial amount of improvements and resided on their land for four or five years—fix it at the minimum of five years—the right to continue. In other words, I ask that their land should be reserved and not allotted to the Empire Settlement Board during the time within which those men should have the option of returning to their farms.

Mr. STEWART (Edmonton): I do not know whether I follow my hon. friend correctly. I do not want to make any promises that would embarrass the board in their operations, but so far as I have been able to learn there is no disposition on the part of the board to dispossess men who evince any reasonable desire to remain on the land and have some chance of making good. But to say that no action of any kind would be taken, might in some cases tie up the operations of the board. Take the case my hon. friend has just cited, if the land was not cultivated last year, and there was not much prospect of its being cultivated this year, it would be a rather serious consideration so far as that farm is concerned. On the other hand, I would be willing to go the limit in giving the soldier every chance, for I would much prefer to have him remain on the land than give it to a newcomer if the soldier has any chance at all to make good. I could not absolutely promise a cessation of operations altogether.

Mr. HANNESSON: It is merely the principle that I want accepted.

[Mr. Hannesson.]

Mr. MEIGHEN: I do not think the minister can possibly meet the request of the hon. member for Selkirk under this bill. It seems to me the point raised by him is so important, and the minister is going to be confronted with so many cases of the kind in the administration of the act, that it might be well to reserve the clause affecting it and pass on. As it appeals to me, the minister is going to run across cases of the most striking discrimination; he cannot possibly avoid it. There are going to be two or three classes. The class that the hon. member for Selkirk has in mind is this: Men have struggled manfully on the land against an inflated valuation, and consequently an inflated obligation, and after three or four years their hearts have grown sick with hope deferred and they have quit. They have used good judgment in doing so. They are not guilty even of bad judgment, to say nothing of bad faith. They simply saw that the land could not be paid for under the price it had to be bought at in 1919. Now that agreement is cancelled. The number of cases where the men are off the land and the agreement would be cancelled is large. It is the duty of the board when the man is off the premises to cancel the agreement and therefore the agreements would be cancelled in ninety-nine cases out of a hundred. What the hon. member for Selkirk says is this: Are you going to take that man who left the land simply because of the very state of affairs which is sought to be remedied by this bill, left it not because of bad judgment but of good judgment, left it not because of bad faith but of good faith to give the board the best chance to go ahead—are you going to say to that man, "You are in the cold forever, but we will invite people from England and the rest of Europe and loan them $500 to buy this land at a low valuation." The minister sees that he will not be able to maintain that attitude, but if he leaves the bill as it is he will be in an embarrassing position.

Mr. STEWART (Edmonton): My hon. friend is not suggesting that if a soldier wishes to be reinstated that be done?

Mr. MEIGHEN: It cannot be done under this act.

Mr. STEWART (Edmonton): I do not understand my right hon. friend.

Mr. MEIGHEN: That is the point; the minister is going to be confronted with those cases by the score.

Mr. STEWART (Edmonton): I thought I had made that clear when I said that where

there was a cancellation of the agreement there would be no consideration.

Mr. MEIGHEN: I agree wholly with the minister's interpretation of the act as it is. But leaving the act as it is, the minister in its administration will be confronted with a class of cases where the discrimination, the unfairness is so brutal that he will never be able to hold his position, he will have to come back to parliament and get an amendment. The class of cases presented by the member for Selkirk is a large class, and it is a class whose appeal the minister will have to answer. There is another class where discrimination will come in, but I do not want to confuse the issue by dealing with it at the moment. I suggest to the minister that he leave this clause and take it up with the board again to see if he cannot so recast it that the board will have a discretion; or, better still, that the board will be entitled and asked to give some preference to the soldier who has worked on that land and left it solely because he saw that the obligation was too large for him to surmount.

Mr. CLARK: The point I want to make is exactly the point made by my right hon. leader in clearer language than I could make it. I understood the hon. member for Selkirk perfectly. The class of case he desires to protect is that of the man whose agreement has been cancelled.

Mr. STEWART (Edmonton): Frankly, I did not get that.

Mr. CLARK: That is the man who is on the land and is in arrears and needs a revaluation. There are scores of cases to-day where men have found it impossible to carry the burden at the price at which the land was valued when they took it over in 1919. In fact, I drew the minister's attention on the orders of the day at the opening of the session to fifty cases in the Fraser valley, where fifty families had been brought from the Old Country, to take up land that had been abandoned by soldier settlers who could not carry the load. The point is this: we consider that before one of the empire settlers is brought in to take over soldier settler land, the man who was forced to abandon that land should be given an opportunity to come in again and take over the land at a revaluation; otherwise there would be discrimination and unfairness to the whole class of soldier settlers who are to-day suffering from the need of revaluation. Under the act as it is drafted, those men will not be attended to. There is no obligation on the Soldier Settlement Board to attend to them. The minister may desire that they be considered—

Mr. STEWART (Edmonton): Oh, no, I quite admit that that is not in the act.

Mr. CLARK: The point made by the hon. member for Selkirk, by my leader and by myself is that those are the men for whom there is need of protection. We all know that the Soldier Settlement Board will not put a man off his land merely because he is in arrears. We know that if a revaluation is made, and that man is making good on the land, he will not be put off. We quite understand that. But I think the man who has been forced to abandon his land because of the burden of over-valuation should be given the opportunity to come back. The Soldier Settlement Board should be bound by legislation to reconsider the case of that man, and therefore this legislation is defective. Furthermore, I understand that the bill which is before the House is not yet printed and in our hands.

Mr. STEWART (Edmonton): The amendments are not there; that is the difficulty.

Mr. CLARK: This is a very vital act, one for which we have been pressing for several years past, and it involves millions of money. In my opinion it should be given the most serious consideration. I submit that we are not in a position this afternoon to consider the bill when we have not actually got it before us. We are asked to deal with a bill which the minister has read to us. I confess personally that I could not hear his explanation, and I am sure many other members could not hear and appreciate what he said.

Mr. STEWART (Edmonton): I should be very glad to have the particular phase which has been brought up by the right hon. leader of the opposition, the member for Selkirk and the member for Vancouver-Burrard, discussed now at a little more length, because I have made it very clear that we are not considering the man who is off the land. If you deal with a man whose contract is cancelled, what are you going to do with the man who has paid in full? Quite a considerable number have paid up.

Mr. HANNESSON: They did not get a bad bargain.

Mr. STEWART (Edmonton): I do not agree with you. A great many of these men have come into money; money has been left them by their friends, and notwithstanding the fact that

they had a contract based on a price which undoubtedly would be reduced on revaluation, they have paid in full. How can we discriminate against a man of that class and in favour of the man who has left the land and has had his contract cancelled? I want to be generous to the soldier, but I want the House to understand that it is going to cost the country a great deal of money if we are going to take into consideration every phase of the act.

Mr. HANNESSON: Are you figuring on selling these lands that have been repossessed by the Soldier Settlement Board? If it is necessary to revalue the land and reduce the price to get settlers why can Canada better afford to take a loss for the newcomer than for the soldier who has spent years upon it and wants to get it back?

Mr. STEWART (Edmonton): I know that argument is very appealing. I think my hon. friend wants to be fair.

Mr. HANNESSON: Absolutely.

Mr. STEWART (Edmonton): If you want to be fair, I doubt if you can draft an act for the purpose for which this act is designed and be fair to everybody. I will admit that at once, but I point out that as you begin to take into consideration various aspects of the soldier settlement scheme you take a mighty big contract on your hands. If you are going to be absolutely fair to every man who went on the land, you will find it is a most difficult proposition. I do not see how you are going to discriminate against the man who is on his land, who has made good, and paid the government every dollar. A considerable number have done so. He has made good, because undoubtedly he did not earn that money on the land, but got it from some other source and paid the government. Now, he is to be shut out, and you are going to deal with the man who has a cancelled contract. I do not see for the life of me how you can discriminate in that way.

Mr. MEIGHEN: The minister is absolutely right.

Mr. STEWART (Edmonton): I welcome discussion.

Mr. MEIGHEN: The bill, as it is seems to me, is founded upon a principle upon which the minister is never going to be able consistently to stand. Unless you get something that is defensible all around you cannot work it out. You will be driven from one post to another and will not know where you stand. You are quite right that if you come in with this class you are going to be met with another class, against whom you are discriminating. Under the bill as it stands the minister is trying to be fair only to one class of soldier—the men still on the land. That is the principle of the bill. It is an attempt to help those soldiers who still, after five years are on the land, to the extent of reducing their indebtedness by the loss in land values. I do not believe the minister is ever going to be able to stand on that principle. But if he had said, "Here, we have done all we can in general for the soldiers; the man on the land has been treated at least as well as the man off the land; now we are going to pass a piece of legislation to assist in settlement, in order to do for the settler what the vendor would do under the same circumstances; that is to say, where we have lands that are not paid for against which there is a heavier indebtedness than the value of the land itself, we intend to revalue those lands and reduce the debt to what the land is worth, because we know we cannot get any more anyway"—if he had said that he would have stated a principle upon which he could stand. I admit it would not be as generous to some as the principle of the bill, but better to others and more consistent.

Mr. STEWART (Edmonton): I do not quite follow that.

Mr. MEIGHEN: What I suggested was that the minister might have framed his bill in such a way as to say to all purchasers of soldier settler lands that wherever there is more money owed us than the land is worth, we are going to reduce the debt to the amount the land is worth. We do it not because we think you owe us more; but because we cannot discriminate against the soldiers. We have done the best we can for the soldiers all over, but we know we cannot collect any more than the land is worth, just as a vendor would say to a purchaser: we would rather you got the land than somebody else outside. We would rather have you than an empire settler to whom we would have to sell the land at a lower price than that at which we are ready to sell it to you. We will reduce the price to you to a really fair basis and you can have it if you want it. If you do not want it, you do not need to take it. I fancy if the minister had framed his bill on that principle he never could have been jilted around from one point to another.

But how in the world he is going to stand in this position, I do not know. He cannot answer the class of cases presented by the hon. member for Selkirk. Those men will

say to him: We are far more deserving than the other fellows who are hanging on to the land and who have done nothing. I have sold land to men who are quite content to sleep in a shack, stay there year in and year out, get enough to live on, never pay a cent, never pay a cent of taxes, and do almost nothing. That is the extent of their ambition. But others in a similar condition would simply say: Well, we owe more than the land is worth; we will get out and make a living; we will try to get on in the world. That is the class of cases presented by the hon. member for Selkirk. Will the minister say to the man who hung around and did nothing and who really owes far more than the land is worth: We will help you, and at the same time say to the worker, the fellow who has realized his position and, like a man of business, has got out and tried to make a living elsewhere, a more deserving man in every way: We will not help you at all; you can go and shift for yourself, and we will sell the land you had to an empire settler for perhaps half the amount that stands against it? The minister never in the world will stay in that position. I will tell him right now, he will be back next year, if not this session, asking for legislation to enable him to deal with that latter class of cases. After he has done this, the case he has in mind, that is of those who have paid up, will be back on him too.

Supposing you have two farms, both bought at the same price and both of equal value, one sold to "A," an excellent settler, and the other sold to "B," a laggard. "B" lets his debt accumulate. "A" goes ahead; he and his family labour and they pay off the debt. The minister says to the laggard: We will help you out; we will cut your debt down to a third; and he says to the man who has had ambition and who has paid off the debt on his farm: We have got your money and we do not care what becomes of you. That case will be hard to meet, although not as hard as those presented by the hon. member for Selkirk.

In a word, if the minister is going to stand only on the principle of helping the settler, he cannot keep this bill in its present shape; he must deal with all settlers alike. But if he stands on the principle of protecting the public treasury and of handling government property to the best advantage of the Dominion, simply giving the soldiers the preference, he has a sound answer to all comers.

Mr. NEILL: The matter complained of by the hon. member for Selkirk, with whom I entirely agree, is somewhat different and was not brought about by the bill now under consideration. The grievance was in existence before this bill was contemplated, because it is caused by the government taking salvaged farms of soldier settlers and selling them at a reduced price to British Empire settlers and to them only. That condition existed before and it will still exist even though this measure is proceeded with on the basis suggested by the leader of the opposition, namely, that of making the best of a bad bargain, which, I take it, is practically the attitude he assumes.

Mr. MEIGHEN: That is it.

Mr. NEILL: I suggest that we might still deal with this measure and then deal with the other not so much by legislation as by government administration. In the past without any legislation they perpetrated the injustice complained of by the hon. member for Selkirk. That is, they took these salvaged farms and sold them at a reduced price, but they reserved them for men across the sea. The Canadian citizen, whether he was on the land or not, should have had the preference, but the government or the board made some kind of deal for British Empire settlement by which they agreed to provide so many thousand farms and they are apparently adhering to that agreement and reserving those salvaged farms for that purpose. They will not sell them to any Canadian at all; they will give the preference to a Britisher who may never have been a soldier.

The past cannot be undone; they cannot take back such of these lands as have been already resold under this settlement scheme; but they should at least, merely as a matter of administration, declare that the land—I am talking about the salvaged farms—at its reduced price will be offered first to Canadian soldiers and second possibly to Canadian citizens before it goes into the British Empire scheme. That is the weakness of that scheme. The grievance is not caused by the introduction of this bill. I would suggest that to the right hon. gentleman.

Mr. MEIGHEN: I did not say that, but the bill creates this discrimination that never can remain. I have been in governments long enough to know that if you have not an answer for a delegation who can show a gross discrimination against themselves, you will yield to that delegation.

Mr. NEILL: But the discrimination was there before this bill was introduced.

Mr. MEIGHEN: No discrimination.

Mr. HANNESSON: May I suggest also that only 500 farms have been actually given

to British Empire settlers? It is proposed to settle 1,300 this year.

Mr. STEWART (Edmonton): Twelve hundred.

Mr. HANNESSON: I am asking that that be not done in the meantime while this bill is going through.

Mr. KENNEDY (Winnipeg): I would like to make a suggestion for the consideration of the minister which it appears to me might remedy the situation. To make my point clear, let me give this illustration. Supposing I was a returned soldier who took up a farm under the board. I remained on it for four years and then I came to the conclusion that I had purchased it at such a price that I never could make good. I left it. I am now off the farm. The government decide in this bill to make a revaluation in such cases. Assuming that I come to the minister and put my case to him, saying: I left the farm because it was valued at $7,000; your board to-day will value it at only $5,000; I spent four years of my life on it and I would like to get the first chance to go back. In dealing with an individual case the minister will say to me: Yes, you did considerable work on that farm and you will get the first chance as it is now vacant. I think that is what he will tell me. If I understand the point of the hon. member for Selkirk, he is asking the minister to extend that same principle not to one individual but to all of the class.

Mr. STEVENS: Opportunity.

Mr. KENNEDY (Winnipeg): In that way men who have made certain improvements on those farms but who, as my leader said, using their best judgment, left them, so that the farms are now vacant, can come to the government after this legislation goes through and say: Under your revaluation scheme we want to go back on our land. Who are their competitors? Their competitors are British Empire settlers, and so we ask that the government reserve those farms for some period to the former occupants. The minister suggested a period of six months, and I think that would be very fair.

I come now to the suggestion that these abandoned farms be not turned over to empire settlers or any other class of settlers coming in for a period of say four or six months, or whatever time the minister determines in his legislation, and that those soldier settlers who have abandoned them be notified that they are now available under this revaluation scheme, the time being fixed within which they must elect. If that period is fixed at six months, that puts me, for example, in the position that within six months I can come and get my farm back. That gives the man who has done work on that farm a preference over all others.

Mr. MANION: I have been thinking of offering a suggestion that might be considered to advantage by the minister. It seems to me that any soldier who desired to obtain land which he had himself previously occupied, or which perhaps some other soldier had farmed, should be given the preference over a stranger, coming within our gates. The object of this scheme was no doubt originally to settle people on the land, but it was secondarily—I am not sure that it was not primarily—the intention to assist soldiers to go upon the land if they wanted to do so. I am sure the minister is anxious to further that end. Now, in view of the discussion which has so far taken place to-day, and in view of the suggestions which have been made, of a very sound and sane character, on behalf of those soldier settlers who may be deprived of their land if this bill goes through in its present form, I would advise the minister, with the most sincere desire to have the legislation improved, to hold up the bill temporarily in order that he may be able to consider it further with the Soldier Settlement Board to see whether some arrangement looking to the end I suggest might not be submitted by way of amendment. I have had no legal training, but I venture to think that I could frame an amendment that would meet the suggestion.

Mr. STEWART (Edmonton): There would be no difficulty in regard to the amendment. It is a question of principle.

Mr. MANION: There would be no difficulty in framing an amendment to cover the point that has been raised but there might be some difficulty in meeting some other objection that might be involved. It would be better, I think, for the minister to take the matter up with the Soldier Settlement Board and have the bill re-drafted. If there are several branches that might be affected by the amendment, they could also be taken into consideration. I really think that the minister would do well to hold up the bill for the time being and, after discussing it with the board, bring it back next week when the House would be in a better position to consider it.

Mr. STEWART (Edmonton): There would be no difficulty about amending the bill to meet the contingency raised, but we must

bear in mind all the facts. Speaking from memory I think there are 500 farms that have been sold to British settlers, and in addition to these a considerable number have been sold to Canadian civilians. My hon. friends must not forget that in attempting to widen the scope of the legislation we are apt to open the door to unlimited difficulties.

Mr. MANION: I understand that.

Mr. STEWART (Edmonton): I speak subject to correction, but I do not think there was very much depreciation in the particular farms I have mentioned.

Mr. HANNESSON: There are many farms in which there is depreciation.

Mr. STEWART (Edmonton): There may be some in my hon. friend's locality. But as a matter of fact the salvaged farms to date show a profit.

Mr. HANNESSON: Not those sold under the empire settlement scheme.

Mr. STEWART (Edmonton): I am now referring to the whole lot of them.

Mr. ARTHURS: The minister is speaking only of farms that have been sold.

Mr. STEWART (Edmonton): Yes, but they are a factor in the discussion. If we say to the man whose agreement has been cancelled, "Seeing that your farm is not sold we will give you an opportunity to purchase," what shall we say to the other fellow from whom some civilian had bought land for less money than is paid to-day? That man would come back and tell us that had he been treated fairly he would have taken up his farm again.

4 p.m.

Mr. MANION: Merely because a wrong has been done to some in the past is no reason for doing a wrong to others to-day. Certain things that were wrong were done under the act in the past, and they cannot be undone, but that is no reason why we should go on injuring other soldiers whom we might treat more fairly. That is my argument for holding up the bill for the present.

Mr. STEWART (Edmonton): I am not objecting to that argument, but I want the committee to appreciate the difficulty of securing an equitable adjustment. If I could have conceived any equitable way of meeting the difficulty a year ago I would have been ready to recommend revaluation then, but the whole problem is hedged around with difficulties of all sorts. There are difficulties no matter from what angle you view it. I have no doubt that every individual member can get up and point to some case of discrimination, and there is no lawyer in this House who in my opinion could devise a means of meeting all those cases.

Mr. McGIBBON: The minister is referring to individual cases. I would remind him that there is a large class of cases of returned soldiers who on coming back, because of red tape or for some other reason, found it necessary to borrow money on their lands at inflated rates of interest. What will the minister do with such men? These are not isolated cases; they constitute a large class.

Mr. STEWART (Edmonton): I agree with the hon. member.

Mr. BROWN: There will no doubt be difficulties in the application of the act but probably they will not be so great in actual practice as they appear to be in this discussion. In my judgment, the greater number of those who left the land through discouragement will not want to come back. In most cases they have had enough of hard experience to make them disinclined to return; and their equipment, too, has been sold. I doubt therefore whether there will be any applications from such men to be reinstated. At the same time, however, the bill should be so framed as to allow any such who might care to take advantage of it to do so. I felt from the outset that there would be considerable difficulty in framing a satisfactory bill if we intended to apply the principle of absolute justice to all. That simply cannot be done. A reference to Hansard will show that as far back as 1922 the hon. member for Red Deer and myself proposed that we should consider the whole question as a new colonization scheme. Whether the principle of dealing fairly as between soldier and soldier was uppermost in the mind of the government of the day when the bill was first passed is immaterial. Whatever objection has been taken to a revaluation has been based upon the fact that we were dealing unfairly with the country. But our answer to that objection has always been that the country stands to suffer a great loss anyway and we might just as well face the situation. Bearing that in mind, may we not adopt the principle of a salvage scheme in framing this legislation? We want to make the best of what, in spite of all good intentions, has turned out to be a bad job, and I fancy that it would be just as well for us to put aside the idea of absolute justice in every case and simply consider the matter as a colonization scheme. I was severely criticized by my opponent in the last election for so describing it on one

occasion, but it seems to me to be the only practical way of dealing with the problem. Let us regard it as a colonization scheme and make the best we can of what has proved to be a bad job. If there are any men who are anxious to go back on the land under a revaluation, let us make it possible for them to do so. In any case, the number in my opinion will be small; but even if it is small let us draw up the legislation in such a way as to take care of them.

Mr. HANNESSON: In view of the fact that some amendments have already been proposed, would it be possible between now and next Monday for the minister to appoint a small committee to revamp the bill so as to meet the views held on all sides of the House? I am sure that we all want to see the scheme made workable so as to render justice to all concerned.

Mr. STEWART (Edmonton): I am perfectly willing to have the bill revamped, but I assumed the general opinion was that we were going to deal only with the men who were actually in residence on the land. But I have been mistaken; that does not seem to have been entirely the consensus of opinion in the House. If I get the opinion of the House there is no difficulty about preparing legislation; the difficulty is to know exactly how far everyone wants to go. I want to say very frankly that when you have thought of all the different people you want to help, you will still have a whole army which you cannot help. I ask my hon. friend again, what right has anyone to prepare legislation that will help the man who has paid up—we have all his money and he is a success—or to help the man who made a failure; through no fault of his own he is penniless; he will have difficulty in buying implements again in order to return to the land. There are two classes; if you help one you must help the other, but then are you to say to the man who has been cleaned out altogether and who has had his land sold, that you cannot do anything for him?

As you go on you will find innumerable cases which cannot be covered by legislation. I want the committee to understand clearly that I started out with the best intentions in the world of helping the men. I do not agree with the statement of my hon. friend that many of these men have just stuck there without doing anything, because most of those chaps are gone; they have been wiped out. The man we want to help is the one who has struggled and stuck and hoped that something would happen, living in penury and still wanting to stick. We might very well help that man now; this legislation was drafted for the sole purpose of helping him, because he is still in possession of his contract and he still feels that if he can get reasonable treatment he will continue. If we are to widen the scope I want to know how far we are to widen it, because there is no use in my spending three or four hours working away and then bringing the bill back, to find that some other member has found something else to object to. That is what I am anxious about this afternoon; I want to know how far parliament thinks I should go with this revaluation.

Mr. HANNESSON: We all realize there is going to be injustice done to some. The man who has paid in full can be considered later; what we are primarily interested in now is land settlement, and fair treatment to the settler. I gave this House a number of instances of men who had been put off the land only last year, or who had been told to get off. Those men have struggled for seven or eight years, and those are the men I want to protect. To-day I mailed to the minister copies of letters from men who have either been driven off their land or have been threatened with eviction. All I am asking is that consideration be given these cases where men are either living on the farm or want to stay there, having done a certain amount of improvement work. Fix a value, if you like, of $1,000 or $1,500 for the improvements; say that he must have been on the land for five years; limit it in any way, so long as the men fitted for land settlement are kept on the farms. There is an idea prevalent among the soldier settlers that other people, empire settlers and civilians, are shown a preference over these men, after they have struggled on the land for years.

Mr. STEWART (Edmonton): My hon. friend is now giving me something on which I can draft legislation. If it would satisfy my hon. friend to say definitely that a man must have been in residence for five years and that he must have created improvements to the value of $1,000, we know what to do. But even so, some other hon. member will immediately present another difficulty.

Mr. MULLINS: I received to-day a petition signed by fifteen soldier settlers of my constituency, and it might help the situation if I read it:

Seeing that an increasing number of soldier settlers are finding it impossible to meet payments due The Soldier Settlement Board and live in a manner becoming free born British subjects, and furthermore as it appears that settlers coming from Great Britain

are being given land, stock, etcetera belonging to soldier settlers at a reduction of at least 50 per cent on the first cost to soldier settlers, these soldier settlers having been forced off the land through excess valuation at time of purchase.

It is resolved that the time has come for the government of Canada to make an immediate re-valuation, said re-valuation to be at least a 50 per cent reduction on purchase price.

It is further resolved that no soldier settlers be asked to sign a quit claim deed until the case is investigated by a party of three: first, one party appointed by the Soldier Settlement Board; second, one party appointed by the soldier settlers; third, one party appointed by The Soldier Settlement Board and soldier settler representatives. If after investigation it is shown that the inability of the soldier settler to make the payment due the Soldier Settlement Board is through no fault of the settler, he should be entited to continue on the farm.

Here is a clause which I do not quite understand.

If after investigation the settler is still forced to leave the land, he should be paid $25 for each month he has been on government land.

After the 50 per cent cut on the loan has been approved by the government all arrears should be advanced and placed over the remaining period of the original twenty-five years.

This meeting is on record demanding that these recommendations be carried out before the next Soldier Settlement Board payment is due, otherwise the majority of soldier settlers will be forced to leave the farms.

That petition is signed by fifteen of the boys who have been overseas, giving their regimental numbers. I think we should be as liberal as possible to these men who have been struggling on the land out west. In my opinion it is far better to do that than to proceed with the present scheme of giving $500 to some stranger coming to Canada, and $1,000 to another man who has been here perhaps a year or two and has become naturalized. In these latter cases the lumber merchants in the small towns trust the man with lumber for his buildings; the storekeeper trusts him until he gets his loan; the man has not had very much experience in western Canada, and becomes a failure. I think we should help our soldier settlers first, and so keep on the land the men who have had some experience and who are acquainted with conditions in western Canada.

Mr. KENNEDY (Winnipeg): I do not wish to go beyond the actual point being discussed. At the risk of repeating a little, let me say that I think the minister recognizes the fact that suggestions coming from this side of the House are not captious and are not intended to place difficulties in the way of the bill. As far as the soldier settlers are concerned, those acquainted with the facts know that they all regard this as a reform, if I may call it such, which is long overdue, and they are very appreciative of the efforts being made by the minister to give them something in the way of relief. While it may not make any difference to the minister, I may say that personally the principle of this measure commends itself very strongly to me, and I think he is endeavouring to work out some real redress for men whom everyone in this country wants to help.

With that preface let me say that anyone who has studied this problem realizes that it is encompassed with difficulties. You cannot possibly remove the injustice in every case. The case of a man who has paid up fully becomes a very difficult proposition. Take this case for which we are trying to provide a remedy, that of men who have put in time on farms and then left. What galls them is this: if I have put in four or five years on a farm and because the valuation was inflated I have had to leave, you now bring in a principle of revaluation and I see an empire settler or a civilian come in on my farm, under the revaluation.

It naturally galls them, and I feel there is an injustice. I feel that appeals to the average man. So all we say is this, give the man who has put in time on the farm a chance. I do not think it would be difficult to bring him under the act. It would not be remedying all injustices, but it would be providing a remedy for that class of cases, and I think the minister if he is so disposed can easily draft a clause that will give that class the first chance of farms that have not been disposed of. I would like to see such a clause inserted in the bill.

Mr. GARLAND (Bow River): I am intensely in sympathy with the proposal of the hon. member for Selkirk, and I would strongly suggest to the minister the advisability of considering favourably some such amendment to the bill. But there does appear to me to be a difficulty; it may not be an insuperable one; I hope it will not be, and that is the class of farm which has been abandoned by the soldier one or two years ago and has already been sold or is in the possession of somebody else. If we could get over that difficulty, I see no opposition in this House to the amendment proposed.

Mr. BLACK (Yukon): The bill as introduced is designed to help only one class of men, those who are still on the land and are fortunate enough to be still in debt. It does not apply to those who are unfortunate enough to have paid up. The minister said that he would like an indication from the House as to how far this bill should go. For my part, I would go the whole way. If you are

going to have a revaluation, then to be fair you must revalue all the lands, and it must apply to all classes. The man who has paid up is the easiest class of all to deal with. All you need to do in regard to him is to make a refund. His case presents no complications at all. It is simply a matter of money, and he is just as much entitled to be considered as the man who has not yet paid up. The only difference is that you have got his money, and you have not got the other fellow's. You are not going to demand full payment from the man who has not paid up, so I think you should make a refund to the man who has paid up. The only fair legislation that can be enacted is legislation that will deal with all classes.

Mr. STEWART (Edmonton): You cannot reach all classes. There are 6,000 men now who have abandoned their farms, and a fair proportion of those farms have already been sold, some of them at a reduced valuation.

Mr. BOYS: How many of the 6,000 have paid up?

Mr. STEWART (Edmonton): There are 1,000 who have paid up, and 6,000 who have abandoned their farms altogether.

Mr. DUNNING: The 1,000 has no relation to the 6,000.

Mr. STEWART (Edmonton): No. Now one of those 6,000 may come to you and say: John Jones, a civilian, got my farm; I have no complaint if you create a reduction, but if you do so, you should give me the opportunity to get my farm back at that reduced value. What are you going to do in that case? It is true there will probably be only a few such cases, but undoubtedly there will be cases of that kind, and I merely mention these things to show how absolutely impossible it is to be fair all round.

Mr. CAMPBELL: It seems to me that the case raised by the hon. member for Selkirk could be dealt with in a very simple manner by following the same course we take with regard to homestead entries. Under the present regulations any land thrown open for homesteading is eligible for entry by soldier settlers forty-eight hours in advance of the time at which civilians can file entry. It appears to me that this is not a case for legislation at all; it is simply a matter of administration, and if the minister would intimate to the committee that he would make a departmental regulation to cover the case, I think it would meet the situation fairly well. Put all these soldier lands on the market again, advertise them for a certain length of time, and let all soldiers who have previously held land be given an opportunity to make application, and their applications be considered before further action is taken. It seems to me that is the only fair way to deal with it. The soldier who has abandoned his land or has been evicted by the board is usually not the very best man to make a new contract with, and I am rather of the opinion that in the great majority of these cases the board would not sell to him. There are cases where they would, but I think, after all, we are making a mountain out of a molehill, because I think very few of these men will be in a position or will want to go back on the land at the present time. To meet the wishes of the committee, I think the minister might promise that some such regulations will be made.

Mr. STEWART (Edmonton): Does my hon. friend mean that he be given a second chance in the event of his exercising his homestead right? He now has a preference if he has not exercised his homestead right.

Mr. CAMPBELL: I would give him the opportunity to make application for available Soldier Settlement Board lands.

Mr. MILLAR: In such a case what adjustment would you make regarding the payments the soldier had made? I hold in my hand a letter from a soldier who in addition to the grant he got from the Soldier Settlement Board paid $1,000 in cash for his land and $964 for equipment. This man claims that he is almost being driven off the land, that he is just hanging on. Suppose he is forced to leave the land, and seizes the opportunity suggested by the hon. member for Mackenzie, what adjustment would be made with regard to the money he had paid?

Mr. CAMPBELL: I cannot see that this should be taken into consideration at all. His equity has all disappeared. He has thrown up the land, he finds his money has gone, and the best thing the board can do is not to sell him that particular farm, for perhaps it is the very last farm he would want, but the board will have these lands written down to their actual value, and I assume the man would have to pay the actual value of the land.

Mr. ARTHURS: There seems to be about as much diversity of opinion in regard to this bill as there was when this question was before the committee some years ago. When the bill was up here before, I asked for certain information regarding the number of men in each province in certain categories. I

also pointed out that no bill could be successful unless some provision was made for those settlers who had paid up in full, who had perhaps borrowed the money from their friends or outside sources. They should have, in my humble opinion, exactly the same treatment as the man who is hanging on to his land by an eyelash. The minister has also failed to state to the House exactly what he means regarding whose property shall be available for revaluation. I understand him to mean anyone who owes anything to the department, anyone who has any indebtedness. Suppose a man owes ten or twenty dollars to the department, and the revaluation brings his farm down one or two or three thousand dollars, what is to be done in the meantime? Is this man to be handed a cheque for the difference?

Mr. STEWART (Edmonton): No.

Mr. ARTHURS: Why not? And if so, why should not the man who has paid up be entitled to the same consideration as the man who owes money to the department? Is the revaluation to be only to the extent of the indebtedness presently before the government?

Mr. STEWART (Edmonton): Yes.

Mr. ARTHURS: That is most absurd and unfair. If a man owes $3,000 he gets $3,000 taken off the value of his land; if he owes merely $30 he gets only $30 allowed under exactly similar circumstances. These anomalies must be considered before the bill is passed by this House. I am firmly of the opinion that any revaluation should take cognizance of conditions all the way through; that is, the man who has paid up, the man who has not paid up, and the man who has been forced off his farm either by the excessive cost of the land or by circumstances over which he had no control.

Mr. BOYS: Mr. Chairman, I have not very many men in my county affected by the provisions of this bill, but there are some. It seems to me that there are three classes affected: Those who have paid in full and abandoned; those who have partly paid and abandoned, and those who are still upon the land.

Mr. STEWART (Edmonton): There are no abandonments where they have paid in full.

Mr. BOYS: I understood some of them had left after completing their payments.

Mr. STEWART (Edmonton): No.

Mr. BOYS: That is immaterial, then. As far as I can gather there seems to be a desire on the part of those who have spoken to make the provisions of this bill applicable to all men who at one time or another have settled on the land. Now, why should not preference be given to every man, whether he is now on the land or not so long as he was once on the land, whether he has paid in full or in part? And why should not a period of say six months be given every soldier to apply for any lands which are vacant? I would not go any further than that, for naturally he could only expect to get lands which are vacant. If that was done, you would take care of all soldiers who have still a desire to go on the land. I appreciate the other difficulties respecting the seeming injustice to those who have paid in full. I do not know whether the minister has made any effort to ascertain how much money would be required to carry out a law which would be fair to everyone. It would lead, as has been said by the member for Yukon, to a refund to those who had paid in full. Has the minister any idea how much money that would involve?

Mr. STEWART (Edmonton): It would be very difficult to say. We estimate that under the provisions of the present act readjustment would not cost more than $10,000,000. If you were to take in all the classes mentioned it might cost $30,000,000.

Mr. ARTHURS: The minister says there are only a thousand paid up in full.

Mr. STEWART (Edmonton): But my hon. friend has mentioned a much wider category. There are 6,000 abandonments. You would at least have to take into consideration every one of those men who made application for readjustment. I said 6,000 abandonments; there are 6,000 salvaged claims at the moment.

Mr. HANNESSON: There was a profit of several hundred thousand dollars on part of those.

Mr. FLEMMING: The minister speaks of some farms having been abandoned. What number would be in the possession of the board now, and what number have been already sold?

Mr. STEWART (Edmonton): I am told there are about 2,000 purchased farms on hand at the moment, and about a thousand farms that were crown lands and of course were not purchased. Perhaps it might be well

to put on Hansard the information that my hon. friend from Parry Sound asked for.

In British Columbia the number of settlers still actually on the land is 2,283; the number who have met their due payments in full is 852; the number in arrears is 1,431.

In Alberta the number of settlers still actually on the land is 4,985; the number who have met their payments in full is 2,136; the number in arrears is 2,849.

Mr. NEILL: Has the minister the number of farms salvaged in British Columbia and Alberta?

Mr. STEWART (Edmonton): No.

Mr. BROWN: The minister uses the expression "met their payments in full." Does that mean payments that have been met as they became due?

Mr. STEWART (Edmonton): The first list I have given is of men who have made all their payments; they are not in arrears.

In Saskatchewan there are 4,564 who are not in arrears; there are 2,690 who have met their payments in full.

Mr. HANNESSON: Who have paid up in full?

Mr. STEWART (Edmonton): I beg your pardon. In Saskatchewan there are 4,564 still on the land; there are 2,690 who have met their payments in full; there are 1,874 in arrears.

Mr. BOYS: There is confusion there, Mr. Chairman. When the minister says that certain of the men have met their payments in full, does he mean that they have made all their payments on their land, or have merely retired all the payments which have matured?

Mr. STEWART (Edmonton): The annual payments. In Manitoba 2,171 are still on the land; 617 have met their payments in full, that is, their annual payments up to date; 1,554 are in arrears.

In Ontario there are 1,349 still upon the land; 795 have met their payments in full up to date; 554 are in arrears.

In Quebec, 253 are still on the land; 113 have met their payments in full up to date; 140 are in arrears.

In the Maritime provinces 1,023 are still on the land; 441 have met their annual payments in full; 582 are in arrears.

For the whole Dominion there are 16,628 settlers still on the land; 7,644 have met their annual payments in full; 8,984 are in arrears.

[Mr. C. A. Stewart.]

Mr. MANION: There is one more figure: How many have paid completely for their land?

Mr. STEWART (Edmonton): I gave that approximately—about a thousand.

Mr. McGIBBON: Might I say to the minister that in the interests of the country as well as of parliament he might well take the suggestion of the leader of the opposition (Mr. Meighen) and redraft his bill on a different basis? The more we discuss this bill the more difficulties we see we are going to be involved in, and the more unfairness will be inflicted upon certain classes of soldiers. To my mind there was never any justification for the title of this bill. It might have been brought in as a colonization scheme or something of that sort, but it should never have been called a soldier settlement act, for you are automatically disfranchising from three-fourths to nine-tenths of our soldier settlers. Now we are going one step further and excluding from the operation of this measure those soldier settlers who have paid up in full—those who have borrowed money from their friends and put it into their land—some of whom have lost and some of whom have made good. The government have already taken ten per cent of the value of these lands out of the soldier settlers; now they are going back to take the land itself and keep the ten per cent. How are we going to justify this and then revalue a certain number of the farms, writing down the settlers' obligations and starting them all over again? The unfairness is brought out more strikingly every way you look at this bill. I think the minister would be well advised to redraft the bill and at least remove some of these injustices that result from playing off one class of soldiers against another class, and the bill should be re-introduced under the title of a land settlement scheme. I think the minister will find that both he and the government will be in very great difficulties if the measure passes in its present form.

Mr. BOYS: Has the minister given the House the number of those who have paid for the land in full, apart from the question of arrears? For instance, a man buys a farm for $5,000, with the payments spread over a number of years, has the minister the number of those who have paid the money? I would have thought all the lands were sold on a similar plan, and that the payments would not have matured in full.

Mr. STEWART (Edmonton): They did not mature, but the soldier paid it.

Mr. BOYS: Did he get a discount?

Mr. STEWART (Edmonton): No.

Mr. BOYS: Just to save interest?

Mr. STEWART (Edmonton): I do not know the incentive. They were all sold on twenty-five year contracts. There may have been some cases where the settler made that amount off the land. I do not believe there would be many. The settler must have got his money from some other source and applied it on the land.

Mr. BOYS: I wanted to find out the number of men who have absolutely paid one hundred cents on the dollar.

Mr. STEWART (Edmonton): It is around a thousand.

Mr. ARTHURS: That brings up the point I raised that these men who have paid in full should have the same consideration as the other men. The minister says he does not believe the man earned the money off the land, but must have acquired it from some other source; therefore I think he is entitled to the same treatment. The hon. member from Muskoka-Ontario has raised the question of the ten per cent initial payment on the land. If the hon. member from Marquette is right and the revaluation should be made on the basis of a fifty per cent reduction, it is to be remembered that a certain percentage had been paid by these men before they went on the land in the first place. Serious consideration, therefore, should be given to the cases of those who made payments for a term of years at least and then abandoned the land.

Mr. CHURCH: I hope the administration of the act will be carried out in an equitable manner and that the soldier settlers will be given full justic. About seventeen thousand of these men went on the land and I am sorry that in a country like Canada they have not received more equitable treatment. Probably one hundred thousand of our returned men went to the United States, but seventeen thousand of these returned men were brave enough to settle on the land. It was a very arduous task to undertake to settle on the land, a task calling for perseverance, courage, cheerfulness, and many other estimable qualities. These men went on the land in good faith, and surely the legislation which we are now considering should be framed in such a way as to deal fairly and equitably with them. It is most desirable that there should be no red tape in the administration of this act, as there has been in the administration of other similar acts. After all is said and done, Canada has not dealt very generously with the returned men. These men are not going to live forever. They went on the land in 1919 and 1920, when conditions were not as good as they are to-day. Some of them were not farmers and could not cultivate the land, or raise any kind of crops. They had to put up with many privations, while the returned soldiers in Australia and New Zealand fared very much better; they received much better treatment from their respective governments.

I have in my hand a book published by Major Belford on Migration within the Empire, showing how the settlements were made in Australia, where they have not as much red tape as we have in Canada. There is just about as much red tape about the application and administration of this measure as there is in a case in the Supreme court. We have had enough legislation with regard to the soldiers, and I think it is time that they got their dues. Legislation has been passed, a pension board was created, but there is so much red tape that it is almost impossible for the returned soldiers to obtain justice.

The government dealt with the men who constructed the railways out west in a very different manner from that which they have adopted in connection with the soldiers who have built the empire. The railway men were given land of all sorts and cash grants. They obtained from the government the Crowsnest pass agreement; they were given gold-bearing lands and mines simply for the asking, but here we have seventeen thousand returned men who are not treated quite so well. The government deserves great credit for what they did for the men in 1920.

Some of these men who went on the land had no experience whatever, and of course the undertaking required perseverance and courage and demanded men who were one hundred per cent efficient. Do not forget that these men fought the battles of the empire. Some of them are not farmers, and these men should be placed in the preferred class. They are not like the settlers who come from continental Europe, who are receiving better treatment from the government. The government should cut out the red tape and treat these men properly. They are just as much entitled to vested rights out west as the railway corporations who are given grants of land and money.

It looks to me as if this bill would lead to a great deal of difficulty. It calls for valuations and revaluations. Now, who is going to pay the costs incurred by the soldiers when they have to produce witnesses and prove their claims? New Zealand and Australia led the

way in showing this country how to deal with returned men. It was hard enough before the war to get the men to go on the land, and the great difficulty now is in getting men to come out here from England, Ireland and Scotland. I read in the Toronto Star a statement that the government of Canada were going to cut off further immigration of farm workers or something to that effect.

The government should not conduct this act as a mortgage company would a foreclosure. They should be free, easy and elastic in their dealings and the administration should be a little easier than it has been in the past. As these men are not going to live forever, the government should give them additional cash. They are spending money to bring in immigrants from continental Europe. They should go a little further than they are going now. Under this bill the returned men must go to the district superintendent, who will consider their application and the material in support of it and make report and recommendation to the board. Application to revaluation must be made to the district superintendent of the Soldier Settlement Board. They must go to him, and the application must be supported by affidavit, setting out the original purchase price of the land and the value of improvement effected since the establishment of the settler thereon, by written statement of the settler setting forth his belief as to present value of the land, his reasons therefor, and so on. With all those provisos, who is going to present the case of the returned soldier? As in the case of the act regarding pensions, there should be some other way of allowing soldiers to deal adequately with their claims. There are too many technicalities in connection with this matter, and by the time we have got to the end of it many returned men will have given up their land as a bad job and will think they are well rid of it. They have been frozen out of the land in many cases through no fault of their own. I hope the minister will see to it that those who are appointed to administer this legislation will be free from political bias, and that they will endeavour, as regards these 17,000 men who fought for Canada in continental Europe, to re-establish them on the land under a better and more reasonable agreement by which they will have some opportunity to make good.

Mr. HAY: I am in sympathy with the principle of this bill. I know it is difficult for the minister to draft a bill that will meet all phases of the question, but I wish to impress upon him the desirability of giving men who have, from whatever cause it may be, temporarily abandoned their land, an opportunity of again taking possession of it under the revaluation scheme proposed in the bill. The feeling seems to be general amongst returned men on the land that they are being discriminated against in favour of men coming in under the empire land settlement scheme; we have all received letters to that effect. I think the purpose of the bill is to help returned men who are still on the land, and I would like to see it extended to help those who, as I said before, are not now upon the land but have temporarily abandoned it because they found it necessary to make a living for themselves and their families in some other profession. They have no doubt spent a large portion of their lives in an effort to make good on the land, and because conditions have been against them and made it impossible for them to succeed, they have been forced to leave the land for a time. I would ask the minister to see that the bill is amended in some way to give these men a chance to come back and settle on the land under the present revaluation.

Mr. STEWART (Edmonton): The hon. member for Toronto Northwest said that he had read in the press that immigration was being stopped. The only difficulty we are facing at the moment arises out of the arrangement that was made a year ago when we had a great number of these farms throughout Canada salvaged, some of them unoccupied, but held by the crown and therefore non-taxable. I am being bombarded daily for the payment of taxes on these lands, and I have written the municipalities and municipal officials saying that we were going to make a special effort this year to clean this up in order that the lands might go back into the taxable category. Having that in mind, the Minister of Finance (Mr. Robb), when he was in charge of the Department of Immigration, entered into an arrangement with the British Overseas Settlement Board whereby the latter provide $1,500 of British money to each settler for the purpose of buying stock and equipment. These things were done with the best intention in the world. These lands have been inspected. It is not fair to say that civilians were denied the right to purchase them if they wanted to do so, but they were not purchasing them and an effort was made to colonize them by people from Great Britain. An agreement was entered into to bring out 3,000 families. Five hundred families arrived last year and we hope to establish 1,200 more this year. Arrangements have been made to bring out

at least 1,000 families. They have passed inspection and I am told 300 of them have already arrived here. Hon. members opposite are asking me to hold up 2,000 farms until this matter is settled. I am mentioning these things merely to show them the difficulties we are facing in the matter.

Mr. HANNESSON: The government has other land.

Mr. STEWART (Edmonton): We have no lands we own, and as under this scheme we have to provide the land, we would have to go out and buy it.

Mr. HANNESSON: The government has brought in a bill to provide new land for settlers.

Mr. STEWART (Edmonton): That is a different scheme. These are all improved lands on which these families expect to go and the government of Canada is under agreement to provide the land. I am not criticizing the suggestions of hon. gentlemen opposite, nor am I putting this forward as a reason why the soldier should not have the first opportunity to purchase. I am simply telling hon. gentlemen some of the difficulties I am faced with as minister.

Mr. BOYS: That scheme would not be in conflict with the suggestion made, because—

Mr. STEWART (Edmonton): If we adopt the suggestion made by hon. members opposite, it means that no settlement of salvaged land can take place until we have revalued them and the soldier who has abandoned them or has been put off has an opportunity to re-purchase.

Mr. HANNESSON: The minister has made his revaluation on turning the land over to the Soldier Settlement Board. All these lands were revalued by the board before the allotment was made.

Mr. STEWART (Edmonton): I want to get the suggestion clearly in mind because it is important that we should understand one another. I understand it means this: Take the 1,200 farms, for example, that are now practically under agreement for settlement. We say: We have reduced this farm by $500 or $1,000, if you wish, and we write to the man who abandoned it or whoever owned it previously, if he had been on it for five years and had been a reasonable settler, and we say to him: Do you want this farm? If he refuses, then the farm goes into the category for settlement by someone else.

Mr. HANNESSON: That is right.

Mr. BOYS: If no allotment has been made, these lands will be available to soldiers who have been on the land and abandoned it. That gives the man a preference only for a period of time so far as available lands are concerned.

Mr. STEWART (Edmonton): The man has only an opportunity of going on the land which he formerly occupied?

Mr. BOYS: No. The suggestion made from many quarters of this House is that it should be opened wider than that and that any soldier who has been on the land and has abandoned it for any reason should be given a preference for a period of time to settle on any lands which are still available with the revaluation.

Mr. STEWART (Edmonton): Our difficulties would be widened by doing that. We would have to advertise the land. We are left open to criticism if we do not advertise it for a month or six weeks. We do not know what man may apply. It is quite easy to deal with the man who formerly occupied the land if we know where he is.

Mr. BOYS: That would not be any good, because in many cases the land he was on has been allotted under this scheme and resold to somebody else. There would be discrimination in that way. As regards advertising, one or two insertions in the leading papers of Canada, merely giving some information regarding the provisions of the bill and telling the soldiers that if they so desire they may still get land at the revaluation, would be sufficient.

Mr. STEWART (Edmonton): I think the committee can readily understand the number will be reduced almost to the minimum for this very reason: No one will suggest that the government should again provide loans for the individual with which to buy stock and equipment. He would have to provide for himself in that respect and it would be a tremendous handicap. Formerly he was established with both stock and equipment. I should like my hon. friends to confine it to the individual who owned the land, because in that event the difficulties would be reduced very appreciably. If you make it wider than that we shall have to keep the lands unoccupied for a considerable time.

Mr. BOYS: There is where the minister misunderstands me; I did not suggest that. You would advertise and get an application for certain property, and if that property had since been sold or allotted to someone else it would of course be no longer available. But

you could inform the applicant to that effect and tell him that you had a number of other lots to offer.

Mr. STEWART (Edmonton): That is a serious difficulty.

Mr. ARTHURS: Where the revaluation has been made and the man has been continuously on the land for a number of years, having made certain payments, I think that some compensation commensurate with the revaluation should be given him.

Mr. STEWART (Edmonton): That is going too far.

Mr. ARTHURS: I would suggest that the minister, in order to meet the difficulty, might strike out of paragraph 68—

Mr. STEWART (Edmonton): If the committee will give me a clear idea of what it would like me to do I think my hon. friend might leave the drafting of the bill to me.

Mr. ARTHURS: I am not making an amendment but only offering a suggestion. I would suggest that the following words be omitted:

—whose agreement with the board has not been terminated or rescinded and who has not repaid his indebtedness to the board.

Mr. STEWART (Edmonton): I would absolutely refuse to accept that. I am going to deal with the matter on definite principles; I will not be left in the air with a bill that might mean anything or nothing. I want to know precisely what classes are to be dealt with, and if I can get the consensus of opinion of the committee I shall be in a better position to go ahead.

Mr. ARTHURS: Only the soldier who has taken land under the act is being dealt with.

Mr. STEWART (Edmonton): My hon. friend will find that he is doing a great deal more than that. First we deal with the men who are on the land and in ownership, and now my hon. friend wants me to extend that to the men whose lands have been salvaged. If I understand the views of the committee, we are first of all to notify the former occupant, the soldier who formerly had the land, and no one else, that if he so desires he can within two months get the land back at the revaluation, provided he can re-establish himself. There are 500 men who have paid in full and 500 whose lands will be revalued, and if the board should find that these have paid an excessive price for their land they would be reimbursed accordingly.

5 p.m.

[Mr. Boys.]

Mr. MEIGHEN: I do not know whether the minister contemplates doing that or not, but really I should not care to make myself popular by advocating that. I do not think the minister can do that.

Mr. STEWART (Edmonton): We have discussed the discrimination that would arise, as against others, from dealing with the man whose contract had been cancelled and whom I have described. If we gave him consideration how could we avoid dealing with the man who had paid an excessive price for his land? If we did not deal with that man, would there not be a discrimination against him?

Mr. MEIGHEN: If the minister proceeds on the principle of helping a certain class of soldiers to get their land back, then he will continue in the dilemma in which he finds himself now. He will be driven from that class to another and from the second to a third class, and so on, on the ground that if he did a favour to class A he must treat class B equally. The minister need not think that he will ever escape without getting to the last soldier who bought land even to the 500 to whom he has referred They will have a claim in equity which he will never be able to answer. The minister, before pressing the bill further, ought to review in his mind the suggestion I made previously. He cannot maintain this present position, and I have no doubt he will later on get into further complications and a tremendous liability if he continues extending the principle on which the bill is based in this form. Suppose he says to the soldier: "We are not proceeding with any new scheme of largesse or of assistance but we recognize that in the disposition of government property you ought always to have first choice, and we will prefer you to another. But we do not propose to launch on a new scheme of more help out of the treasury. Here we are, however, with a mass of lands on a great proportion of which there is more money owing than we can possibly collect, inasmuch as the lands are not worth it. Now, we are going to do what any other reasonable vendor looking after his own interest would do; we are going to reduce the value of the land to what the man can get out of it. And we are going to do so in order to protect the interests of Canada and conserve public property."

If the minister does this he will never have to answer the man who otherwise might take this view: "Here I owe only $1,000 on this land. The valuation shows that it is worth $2,000, but I paid $1,000 more for it than

I should have paid. You must therefore cancel that debt." Should the minister cancel that debt of $1,000 he never in the world could answer the fellow who had paid in full. The minister would not have cancelled that $1,000 in the interests of the people in the country; he would, in cancelling it, merely have given another grant to that soldier. But if he gives such treatment to that particular man, he will have to extend it to all the rest. With the man whose indebtedness is no more, is indeed less, than the worth of the land, the minister need not deal at all. If however he says that only in cases where he cannot collect that debt, for the reason that it is greater than the value of the land, shall it be his policy to treat with the soldier, in the interests of the country and not on any pretence of distributing a grant to certain classes of men, his position will be sound. I hope the minister follows me. I think he does, and I repeat that he can never frame a bill to meet this complicated situation unless he abandons the principle he is now pursuing—in good faith, I am sure—and adopts the other one which I have suggested and which can be defended to anyone. The principle at present being followed cannot in this limited application be defended and it will merely carry the minister from one post to another, until finally he will find himself under the necessity of extending the same treatment to everbody, right down through the list. To every one of them, their heirs at law, even to those who do not need it, he will have to give an equal measure of benevolence out of the treasury of the Dominion.

Mr. MILLAR: How would the amount of relief under the scheme proposed by my hon. friend compare with the amount under this bill?

Mr. MEIGHEN: It would be less in one direction for this reason: all these cases where the amount owing is equal to or less than the value of the land would be eliminated. Under the present scheme the minister has to go into every one of these cases, and if the man paid an excess value equal to or greater than the amount owing, the debt is cancelled although the government could have collected. That class will be eliminated, saving the treasury many millions of dollars, but the class mentioned by the hon. member for Selkirk will be taken care of on the principle that we have this plan and we will give the men who had it before, the preference. I would be willing to trust the minister with that. Some regulation might be devised generally defining his duty, but not in the form of an injunction over which he cannot step. The principle could be laid down and preference given to those who had the land before.

Mr. NEILL: Supposing the farm had been sold to somebody else?

Mr. MEIGHEN: Then you could not do anything but you are still in a strong fortress; you could never be attacked because you do not pretend to be doing this as a new scheme for the soldier; you are preserving government property—giving him the preference on sale.

Mr. CAMPBELL: In that way, would you not create another discrimination? There are two classes, one whose land has been sold and the other whose abandoned land has not been sold. There would be a distinct discrimination against the man whose land has been sold.

Mr. MEIGHEN: Yes, but that has already been created; we are not doing that by this bill. Wherever there is land to be sold we will give the soldier the preference, and the minister should not be tied by very definite restrictions. We will give the soldier the preference as long as we can, without injury to the public interest, but beyound that we do not pretend to go. The whole principle is to properly administer the property of the people of Canada.

Mr. YOUNG (Weyburn): Would the hon. gentleman permit a question?

Mr. MEIGHEN: Certainly.

Mr. YOUNG (Weyburn): Do I understand that he would reduce the price to the present value of the land utterly regardless of what the soldier has already paid?

Mr. MEIGHEN: I would only deal with those cases where there is more owing on the agreement than the land is worth.

Mr. YOUNG (Weyburn): If a man bought a farm for $5,000 and paid $1,000, and the farm was to-day worth only $3,000, in his case you would have to wipe out $1,000. In the case of another man who bought a similar farm for the same price and paid nothing, you would wipe out $2,000.

Mr. MEIGHEN: Yes, just as my hon. friend would do if he were the vendor instead of the government, because it would be the best thing in his own interest and he would not pretend to do anything else.

Mr. STEWART (Edmonton): I am not quite clear about one point raised by my hon. friend. The soldier, of course, owes for land, stock and equipment. Does my hon. friend mean to include the indebtedness for stock and equipment?

Mr. MEIGHEN: No.

Mr. STEWART (Edmonton): Then the only cases we would touch would be those where the soldier settler owes more for the land than the land is worth?

Mr. MEIGHEN: Yes.

Mr. STEWART (Edmonton): Confining it to that one class?

Mr. MEIGHEN: Yes. You would have to make each property stand by itself.

Mr. HANNESSON: In the reconsideration of the bill would the minister assure the House that no further lands will be allotted to the Empire Settlement Board until the details of this plan are worked out?

Mr. STEWART (Edmonton): I am in this difficulty, that people are being placed at the present time on some of the 1,200 farms mentioned.

Mr. HANNESSON: There are only 300 on the farms now.

Mr. STEWART (Edmonton): They are coming all the time, you see.

Mr. HANNESSON: I do not desire to embarrass the minister at all, but it is going to cause a great deal of dissatisfaction and trouble if, during the time this bill is under consideration, men lose the farms they are now occupying.

Mr: STEWART (Edmonton): But if we follow the suggestion of the right hon. leader of the opposition we will confine this to one class only, men who owe more money on their land than the land is worth. I am perfectly willing to do that; I can save the treasury of Canada a great deal of money in that way, but I have very grave doubts whether that will satisfy the soldiers.

Mr. MURPHY: The minister has said that the object of this bill is to help the returned soldier who is still on the land. If the bill is changed to only affect one class, the object of the bill is changed altogether.

Mr. STEWART (Edmonton): Yes, quite.

Mr. MURPHY: If the minister still adheres to his resolution to help the returned soldier still on the land I would like to point out a phase of the situation which has not been mentioned this afternoon. Certain returned soldiers are in arrear in their payments and cannot at present meet their indebtedness. They are being asked by the board to assign what they have left of last year's crop, and to also assign all of this year's crop. That is a very discouraging situation and it will certainly force more men to abandon their farms this spring, because if a man is going to be forced to assign all his crop to the board, how is he to live during the summer months, or until the next year? It will increase the abandonments by men who have stayed five or six years on the land. I would like to add my voice to the expressions of those who have already spoken in favour of the man who desires to go back on his farm, but I think the House is anticipating greater difficulties in that connection than will arise. If I understand human nature at all, a man who has spent five or six years on a farm without making a success of it is not going to be very anxious to go back on the land again. Only the man who has still an interest in the land, who possibly left his family there, or who only temporarily abandoned it, will go back, but he should certainly be given an opportunity of re-possessing that land.

Mr. STEWART (Edmonton): I hope the committee quite appreciates the idea of the right hon. leader of the opposition, because it does reduce the difficulties tremendously. I was trying to cover a much wider field, and I do not deny for a moment all the difficulties with which this proposition is bristling. The proposition of the right hon. leader of the opposition, however, confines it to men who to-day, at the present moment, owe more to the government or to the Soldier Settlement Board than the land is actually worth, and that is the only class to be dealt with. I want the committee to understand exactly what that means; it cuts out the man who has paid in full; it cuts out the man who has reduced his indebtedness below the value of the land to-day even by only $200 or any small amount; it cuts out these parties altogether. They would get no consideration under this measure suggested, which would only deal with the man who is not a good, solvent risk for the government. That, in effect, is what it means.

Mr. MILLAR: I would like to ask the minister a question which I should have asked the leader of the opposition, had he been in the House. In a case where a soldier owed, say, $500 on land, but $1,000 on chattels, and was in straitened circumstances and in danger of losing his farm, following the suggestion of the leader of the opposition, he would be given consideration for the $500 only. He would still owe the $1,000 on his chattels and would stand a good chance of being driven off the land. In that case it seems to me the government would still run a considerable risk of losing the settler, and losing as well the $1,000.

Mr. STEWART (Edmonton): I asked that question myself because I wanted to be clear about it. If I followed the leader of the opposition carefully his answer was no, simply the land—and the land, of course, includes the buildings; stock is not to be taken into consideration. In that case the soldier would have to abandon his farm, I presume. I confess that the suggestion of the leader of the opposition appeals to me very much, because it will save the country a great deal of money.

Mr. NEILL: The bill will be of very little use in that case.

Mr. LOVIE: Mr. Chairman, I have here a petition signed by 469 residents in the constituency of Macdonald. The object sought is explained in the heading of the petition, which reads as follows:

We, the undersigned, do hereby place ourselves on record as being in favour of the consolidation of the soldier settlers' debt to date, including tax arrears, and that a reduction of not less than fifty per cen be made of the amount of the total consolidation thus computed, and we will support the efforts of the soldier settlers to obtain his redress.

The petition is accompanied by a letter which I shall read to the committee, because the petition has been very largely circulated over the whole district. The letter reads:

Sir,

In re Soldier Settlers' Lands

On the 25th of February, 1926, there met in Carman, at a largely attended meeting, a number of the soldier settlers of the district, who had purchased lands through the soldier settlers' board.

This meeting was the outcome of the increasingly arduous position in which the majority of the settlers now find themselves; the situation is beyond doubt well known to you, and may briefly be described as follows:

Owing to the inflated price of land which existed at the time when the majority purchased, followed immediately by an almost unprecedented slump in the selling power of farm produce, followed at a later date by a sharp decrease in land values, which is continuing to-day, the average soldier settler finds that he has now accumulated against him such a volume of arrears, which coupled with the amount still owing by the purchaser as the purchase price of his land, makes his position untenable, and it is felt that the position of the average settler is hopeless, unless some alleviation is forthcoming.

The meeting above mentioned was addressed by several civilians, i.e. other than settlers, amongst them being Reeve Armstrong of Dufferin municipality and Councillors Provo, Murray and Metcalfe, and the meeting passed the following resolution.

"We the undersigned do hereby place ourselves on record as being in favour of the consolidation of the soldier settlers debt to date, including tax arrears, and that a reduction of not less than 50 per cent be made of the amount of the total consolidation thus computed, and we will support the efforts of the soldier settlers to obtain this redress."

A committee was formed, and the above was circulated in the form of a petition in the districts of Carman, Roseisle, Haywood, St. Claude, Somerset and Treherne, meetings being held at a number of these points, and it has been the experience of those circulating the petition that the entire community, with less than 1 per cent of those approached, is in favour of the redress asked being granted.

At the risk, Sir, of wearying you with facts which doubtless are well known to you, this branch of the Soldiers Settlers' Association desires to emphasize to you that unless this redress is forthcoming, the large majority of our soldier settlers will be forced to give up the struggle, and, instead of being settled on the land, will drop to the status of men without homes and without those ties which it is believed are essential to the building up of the west.

Another point which we would with respect draw to your attention is that as each soldier settler is forced to bandon his farm or is evicted by the board, a revaluation takes place, and the land, with the permanent improvements added and charged against the settler, thus revalued, is sold to an incoming settler, at a price which in many cases is 50 per cent and in some cases, more than 50 per cent, less than the amount which was owing by the settler with the improvements added; if the loss has to come, and from the policy of the board and the current price of land, it would appear inevitable that a loss will accrue, it is felt and urged that the soldier settler should in all fairness receive the benefit in the reduction of land values.

As you, Sir, are without doubt aware, a bare reduction in the amount of the purchase price now outstanding will not in itself save a large number of our settlers; they owe such an accumulation of arrears, which, if left in status quo, even if the future debt be reduced, will so clog and hamper the efforts of the settler, that he cannot hope to meet his obligations, or if meeting them, will prevent the necessary development of his farm owing to shortage of working capital.

The legislature of Manitoba and that of Alberta have expressed themselves in favour of some redress being granted; Mr. J. R. Love, U.F.A. member in the House at Edmonton, on March 16th drawing attention to the condition of the soldier settlers in the Wainwright district, stated that of 37 settlers, 19 had been forced to quit.

Meetings in support of the movement have been held at Deloraine, Carman, Swan River, Somerset, Treherne, and Deepdale in Manitoba, and in many points as far as Dewdney, B.C. and from Deepdale, Manitoba, there is going a petition to the right hon. the Prime Minister and Mr. W. J. Ward, M.P. The petition from Deloraine has for some time been in the hands of Mr. J. Steadman, M.P., for Souris, and to you, Sir, we beg to submit a petition signed by 469 persons in this district, supporting the legislation asked for by the soldier settlers.

It is felt that all money expended by or on behalf of a settler by the board, i.e. such as the cost of breaking advanced on charge to the settler, and paid by the board should be added to the purchase price of the land in computing the amount of the settlers total outstanding liability on the land; the tax arrears should, it is submitted, be also taken into consideration in arriving at the total debt, and added thereto; if the soldier leaves the land or is ejected therefrom, the land on being re-vested in the board ceases to be liable for taxes until re-sold, and if the assistance is not directed towards the reduction of tax arrears, these arrears will be sufficient to act as a dead weight borne by the settler and a severe handicap; it is indeed felt by very many settlers that it is most vital that in computing the total debt, there should be added to the outstanding capital debt, the arrears both of taxes and past due payments. The revaluation granted in 1925 on settlers' live stock will afford an illustration

on this point that revaluation averaged about $150, but taken from the capital debt only; this reduction of $150, divided over a period of say, 25 years, is of little material assistance, whereas had this been deducted directly from arrears, the assistance would have been most beneficial.

The petitions forwarded to you, Sir, are sent in the fervent hope that you may do what is in your power to assist in the passing at the present legislature, such legislation as will, in common justice, alleviate the present situation, and will assist in keeping on the land a type of citizen which Canada can ill afford to lose from her agricultural community;

We feel that in approaching you as the sitting member for Macdonald, we are taking the right step, knowing full well that you with your personal knowledge of farming conditions are in close touch with the situation as it exists to-day, and are conversant with the whole matter, and we trust that our movement will receive your support.

I would ask the minister what he thinks about consolidating all the soldier settlers' debts, including tax arrears and the expense of breaking, and spreading the payment over a period of years. Will the bill make provision for any assistance of that kind?

Mr. STEWART (Edmonton): Any contributions of the settler that enhance the value of the land would be taken into consideration.

Mr. YOUNG (Weyburn): That could not be taken into consideration if you adopt the suggestion of the leader of the opposition.

Mr. STEWART (Edmonton): I was speaking of the bill.

Mr. MANION: I was not listening to the leader of the opposition when he made his suggestion, and I should like the minister to explain what he intends to do. The leader of the opposition was speaking for himself—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: He was speaking for himself just as we all are. I have my own ideas on this question and I am not necessarily controlled by the leader of the opposition, by the minister or anybody else. I am speaking for the good of the soldiers. I might remind you, Mr. Chairman, that nine years ago to-day was a very important day for the Canadian soldiers, and I think we might commemorate it in this House by seeing that they get a fair deal in this bill. This is not a political question, and I do not suppose the minister is controlled any more than any of the rest of us absolutely by the leader of the opposition. What I wanted to find out before he sends this bill back to the board was what he intends to do with this bill to treat the soldiers fairly.

[Mr. Lovie.]

Mr. STEWART (Edmonton): To put the matter clearly to my hon. friend, because I was intensely interested in the suggestion of the leader of the opposition, he said in effect that the only cases to be dealt with were those where the men now on the land owed more than it was worth to-day. Now, this reduces it to the minimum in that respect. If a man owes more on his farm to-day than it is worth, then a revaluation takes place and he is given consideration. The leader of the opposition argued that it was in the interests of the government to do that because it was a case in which the government were liable to lose some money in any event, to treat it only from that standpoint, not from the standpoint that the man was a soldier; but that all other cases where danger of loss to the government was obliterated would not be so dealt with. That concretely is what the leader of the opposition suggested. Of course that suggestion is confined to land only; it does not cover stock and equipment.

Mr. MANION: Of course, that is the intention of the bill anyhow.

Mr. STEWART (Edmonton): Yes. Now, the bill as drafted provides for what the leader of the opposition has suggested; but he confines it absolutely to the men on the land, to those in possession; those are the only cases to be dealt with, all the others are to be shut out. I am quite prepared to deal with the suggestion of the hon. member for Selkirk that where a soldier has occupied a farm, and that farm has been salvaged and a reduction in value made either by the board or by the committee that will function later, the soldier should be given an opportunity to go back on his farm at the reduced price. But I would confine it to him alone, not spread it indiscriminately among the soldiers. The man who was on the land would be given the opportunity to return to that particular piece of land.

Mr. MILLAR: In that case would he be given full credit for the amount he had paid? That is, would the agreement be treated as though it had not been cancelled?

Mr. STEWART (Edmonton): My hon. friend has raised another difficulty. I would not care to give an answer to his question offhand. After all, I am trying to meet the objection raised by the soldiers themselves, "Had you done this for me I could have continued." There is something in what my hon. friend says, but I shall have to consider it carefully before giving him an answer. May I say that that contingency could easily be arranged for in the present bill?

Now, the difference between the proposal contained in this bill and that suggested by the leader of the opposition is that the bill would give consideration to every man who is still on the land, whether his indebtedness is more than the value of the land or whether it is less. The restriction we put on is that if he gets a reduction of $1,000, and he owes the board only $700, we would not pay that $300 to him. He would simply pay out his $700 and get his title deed. The bill is wider in that respect inasmuch as we deal with all the soldier settlers instead of confining its operation simply to the class who owe more than the amount I have referred to. Speaking casually, I cannot believe that it would entail a great deal more money than the scheme proposed by the right hon. leader of the opposition, but I admit at once that the difference between the two plans does put the government in a much stronger position with respect to claims that might come from every quarter, such as have been raised so prolifically this afternoon, because under the plan suggested by the leader of the opposition we could confine ourselves simply to the protection of the government's interests, not the soldiers' at all. That is the main point of difference. Under our plan we are taking into consideration to some extent soldier settlement. Outside of that I am bound to say at the moment—I may change my mind on further deliberation—that our bill will better meet the situation than any other suggestion we have yet had this afternoon. Of course, I may be prejudiced in favour of this bill. Certainly I am not going to argue for a moment that it will remove all discrimination, I doubt if any bill could accomplish that, but in being fair to the government and fair to the soldiers I think the provisions of this measure pretty well meet the situation. I am speaking of course particularly with respect to the classes that will be considered under the bill.

Mr. MANION: Mr. Chairman, as I told the minister, I did not hear the remarks of the leader of the opposition to which he has referred, but I do know that all the members on this side of the House—and they are largely returned soldiers—all took the same attitude, and I am quite sure still adhere to it, as that which the minister describes as the suggestion of the hon. member for Selkirk. In other words—

Mr. STEWART (Edmonton): I want to make it clear that the hon. member for Selkirk went much further than I suggested.

Mr. MANION: In other words, there was a consensus of opinion on this side of the House with what I heard the leader of the opposition say early in the afternoon, that those soldiers who have been deprived of their land because they were unable to pay should be given an opportunity to resume possession before it is given to some other settler under the British Empire or some other scheme. I think everybody on this side of the House was unanimous on that. Certainly the leader of the opposition earlier in the afternoon agreed that that was advisable.

Mr. STEWART (Edmonton): I think he still agrees.

Mr. MANION: I am glad the minister suggests that, because I am quite sure of it. I am not suggesting that the minister did it from any political motive, but it seemed to me that he was rather pointing out that the leader of the opposition favoured restricting the scope of the bill.

Mr. STEWART (Edmonton): I say so still.

Mr. MANION: All right. As a returned soldier, I do not want to see the scope of the bill restricted. I am sure that that is the opinion of every returned soldier on this side of the House, and there are at least twenty. We would like to go as far at least as allowing those returned soldiers who have left the land an opportunity to go back to their farms, which they had to give up through circumstances over which they had no control. I am sure the minister will be carrying out the wishes of the House generally if he goes that far at least. Other amendments may be suggested later, but at the present time I think he would be well advised to amend his bill to that extent.

Mr. BROWN: Would the hon. member for Fort William confine the privilege of the soldier under such circumstances to the land which he formerly held?

Mr. MANION: Early in the afternoon I went further than that and suggested allowing the soldier to apply for any piece of land that another soldier had held. The minister later on came forward with a statement as to which most of us knew nothing—at any rate I knew nothing—regarding the empire settlement scheme, and he said some land had been taken, and he said "we cannot carry out the provisions of this bill without doing injustice to some people". I want to see the scheme carried out, and to see as much justice done to as great a number of soldiers as we can possibly manage, without costing the country too much money. That is the position I wish to take. I would go as far as the hon. member for Lisgar, and provide that a soldier might apply for any piece of land.

Mr. BROWN: I would not suggest that.

Mr. MANION: I suggest it. But the minister points out that some of that land has been taken up already and that cannot be done; but I would be perfectly willing to go as far as possible in that direction.

Mr. STEWART (Edmonton): On behalf of the government, I have stated on many occasions, that I hoped that, in dealing with the returned soldier, either through the Soldiers' Civil Re-establishment department or the Soldier Land Settlement Board, we should not make the question a political issue. Such a course would be regrettable. I am anxious to do anything in reason, and I would like to get the consensus of opinion in the House as to the best method of doing it. Then I will do my best to draft the legislation; and may I forecast what I will probably bring down, namely, the provisions of the present bill, including the suggestion of the hon. member for the right of the soldier to make application for his land, providing the land is available for him.

Mr. MANION: Hear, hear.

Mr. STEWART (Edmonton): We will take care that we do not tie up this land to an unlimited degree. I still think the provision of the bill goes as far as the government is warranted in going, and I want the committee to clearly understand that that will cut out the man who has paid in full, and the man who has been salvaged, but not the man who can get back on his own land. That man will be given an opportunity to get back on his land and the provision will be widened to that extent.

Mr. BROWN: He will have to find his own equipment.

Mr. STEWART (Edmonton): Yes, we cannot advance him money. The land will be there available for him. My hon. friend from Qu'Appelle has raised some difficulty to which I give consideration. There is some merit in what he suggested, but I want to have time to think of it. I am indicating the direction in which I will proceed to re-draft the provisions of the bill, and bring it back for the consideration of the committee.

Mr. CASSELMAN: It is not the intention of any scheme, either the one proposed by the right hon. leader of the opposition or the one proposed by the minister, to take into consideration those who have already paid in full. I think in some of those cases you will find that, although the government has received full pay for the land, the soldier still owes the full amount. The payment was brought about through a desire on the part of the soldiers to get the land in their own name, and in many cases—one within my own knowledge—a relative of the settler advanced the money in order that the land might be in the soldier's name. It is very unfair that this class of case should not be revalued, when these other classes are revalued

Mr. STEWART (Edmonton): I may assure my hon. friend that they will not be considered, as I gather from the discussion this afternoon. Those who have paid will not be considered under the provisions of the bill. I desire to say again that it is very difficult to treat every case with absolute equity, and we have not made provisions for consideration to cases of that kind.

Progress reported.

SUPPLY

DEPARTMENT OF MARINE AND FISHERIES

The House in committee of Supply, Mr. Duff in the chair.

Marine Department—Navigation schools, $8,500.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): This item is to provide instruction for seafaring men desiring to qualify as masters and mates of ships, in pursuance of section 84 of the Canada Shipping Act. The proposed increase of $1,500 over last year is to provide for a grant of $500 to the Charlottetown Navigation School, and for instruction to deep sea fishermen at Prince Rupert, B.C.

Mr. ROGERS: Carried.

Item agreed to.

To provide for temporary relief to distressed seamen, $5,000.

Mr. CARDIN: This is to provide for relief to distressed Canadian seamen abroad and for the temporary relief of seamen at Canadian ports. It is done in accordance with the provisions of the act. It is not altogether an expenditure, because on some occasions we request the navigation companies to reimburse the department for the expenditure. When we can arrange to be reimbursed we do so.

Mr. ROGERS: What does the minister mean by seamen abroad?

Mr. CARDIN: In foreign countries.

Mr. FRASER: What was the expenditure of last year?

Mr. CARDIN: Up to the 28th of February, 1926, the expenditure for relief to distressed seaman was $217. Of course the amount expended is never the same. It depends on the number of accidents.

Item agreed to.

Registration of shipping, $3,000.

Mr. CARDIN: This is for the purpose of defraying the cost of registration of Canadian shipping. According to the law all ships before trading in Canadian waters have to be registered.

Mr. ROGERS: How much was spent last year?

Mr. CARDIN: Up to the 28th of February, $1,936.

Mr. ROSS (Kingston): Is the name of the company registered?

Mr. CARDIN: The name of the proprietor of the ship.

Mr. ROSS (Kingston): Has the minister taken into consideration the difference in regard to boards of directors as between Canadian and United States steamship lines?

Mr. CARDIN: No foreign company can be registered as being the proprietor of a ship.

Mr. ROSS (Kingston): Everyone on the board of directors of a United States shipping company must be a United States citizen. There cannot be a Canadian on it. I want to bring the other side of the question to the attention of the minister. We allow United States citizens on boards of directors of Canadian steamship companies, and the result is that a United States company can register in Canada and take business away from our Canadian steamship lines by having one Canadian director on the board. That is called a Canadian board of directors, and it is most unfair. United States ships can bring grain down to Buffalo; then they organize another steamship line on this side by putting one Canadian director on it, and in this way they carry the grain further on, whereas on United States steamship lines no Canadian can be a director. We ought to have the same custom in Canada; no United States citizen should be a director of a Canadian steamship company.

Mr. CARDIN: I am informed that any company which is legally organized in Canada can be registered as the proprietor of a ship.

Mr. ROSS (Kingston): I am pointing out the unfairness. If a Canadian cannot be a director in a United States company then our Canadian steamship lines should be organized under the same regulations.

Mr. QUINN: I am not quite clear as to what this item of $3,000 is for. Is it to defray the cost of registration of shipping in addition to the fees that are paid?

Mr. CARDIN There are no fees for the mere registration of a ship. Fees are paid to the officers taking the measurements of the boats.

Mr. ROSS (Kingston): Will the minister take into consideration the point I have raised, which is very important to our really Canadian steamship lines?

Mr. CARDIN: I shall be only too glad to look into the matter.

Mr. McQUARRIE: What was spent last year out of the $3,000?

Mr. CARDIN: $1,936.

Mr. McQUARRIE: This year the minister has estimated for more than $1,936. Does he anticipate he will spend more this year?

Mr. CARDIN: It is very hard to say in advance what the expenditure will be.

Mr. ROGERS: The vote is the same as that of last year?

Mr. CARDIN: Yes. In fact the vote has been reduced since 1921-22 from $6,000 to $3,000. In 1920-21 the appropriation was $10,000 and the expenditure $1,769. In 1921-22 the appropriation was $6,000 and the expenditure $2,790. In 1922-23 the appropriation was $5,000 and the expenditure $1,500. In 1923-24 the appropriation was $5,000 and the expenditure a little over $2,000. In 1924-25 the appropriation was reduced to $3,000 and the expenditure was $1,865. This year we are asking for the same amount, $3,000. It is not a very large amount over the expected expenditure.

Mr. ROGERS: I do not think there will be much objection to the amount, but I would like to point out to the minister that the question raised by the hon. member for Kingston City (Mr. Ross) is a very serious one. On our grain passing via United States bottoms and rails to the markets of the world, they get from fifteen to eighteen cents per hundred pounds, or per bushel, I do not

know which, and everything should be done to keep our grain within our own channels and on our own rails. Years ago when the National Transcontinental was built under the direction of a government such as that of hon. gentlemen opposite, great care was taken to provide, for the benefit of the people of this country, that our grain would be carried on our railways at rates similar to those which would be charged if the grain went by United States routes and in United States bottoms. That was the pledge made by the Liberal government of that day. Now we have the opportunity, we have the railways in good shape, and surely we ought to be able to take advantage of the promise then made. By continuing this practice, whereby the mere fact of one Canadian being on the directorate enables an American company to evade the spirit of our law, we are placing Canadian shipping at a distinct disadvantage. The Americans do not allow their regulations to be violated in this way, and the competition which Canadian concerns have to put up with is therefore altogether unjust. I hope the minister will take steps to provide some relief in this matter and to see that traffic in this country is directed over our own railways iinstead of being taken by American vessels for transportation over American rails to the markets of the world.

Mr. CARDIN: I fully appreciate the importance of the question raised by my hon. friend, but he understands of course that the subject cannot be considered under this item. It will, however, no doubt come up during the discussion of the vote in connection with the Canada Shipping Act.

Mr. ROGERS: I know it has nothing to do with this item. I was merely bringing it to the attention of the minister.

Mr. ROSS (Kingston): What companies, if any, registered on the Great Lakes in 1924-25?

Mr. CARDIN: I have not that information.

Mr. ROSS (Kingston): I wish the minister would bring it down. There is an American shipping concern now operating on the lakes carrying grain to Buffalo. I have forgotten the name of the company but although there is one Canadian director on the board it is a purely American concern.

Mr. CARDIN: Is it the Eastern Shipping Company?

Mr. ROSS (Kingston): I think that is the name, and if the minister will verify this information he will find that the company is purely American and is taking advantage of our law on the strength of having one Canadian on the directorate.

Item agreed to.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

DOMINION EXPRESS COMPANY

Mr. C. A. FOURNIER (Bellechasse) moved the second reading of Bill No. 18, to change the name of the Dominion Express Company to Canadian Pacific Express Company.

Mr. MEIGHEN: I have no doubt this bill is correct, if for no other reason than the hon. member who stands sponsor for it. I do not think, however, we should allow the second reading without having an explanation.

Mr. FOURNIER: I hardly think any explanation is necessary. All rights are safeguarded; any legal proceedings already undertaken will not be affected at all.

Motion agreed to, bill read the second time, and the House went into committee thereon. Mr. Duff in the chair.

On section 1—Name changed.

Mr. MEIGHEN: Will the hon. member explain why it is desired to change the name? I have always wondered why the company was not always called the Canadian Pacific Express Company, and I would like the hon. member to explain how it was that the name Dominion Express Company was taken, and why it is now being changed.

Mr. FOURNIER: The Canadian Pacific Railway Company owns the Dominion Express Company, and it was thought better that the express company should bear the same name as the railway.

Mr. MEIGHEN: Does the hon. member know why they took the other name? It is simply a matter of curiosity; I always wondered at it.

Mr. FOURNIER: The operations of the Dominion Express Company extend all over the world, and it was thought by the Canadian Pacific Railway authorities that in order to prevent any misunderstanding the name should be identical with that of the railway.

Mr. MULLINS: I was wondering if this bill would have anything to do with express rates, any tendency to raise the rates?

Mr. FOURNIER: No, no.

Mr. MEIGHEN: I think I have been given the explanation; the Grand Trunk Railway took the name Canadian Express for its express company. Is that name still used?

Mr. LAPOINTE: No, it is now called the Canadian National Express Company.

Mr. MEIGHEN: That makes it all quite clear.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

SUPPLY

The House in committee of Supply, Mr. Duff in the chair.

Marine and Fisheries—removal of obstructions in navigable waters, $5,000.

Mr. McQUARRIE: Would the minister give details?

Mr. CARDIN: This appropriation is for the purpose of defraying the cost that may be incurred in the removal of obstructions in navigable waters. I desire at this juncture to make a rectification. The other day when we were discussing another item the hon. member for Simcoe asked me if we had made provision for a certain wreck in a certain river in his constituency. Having in mind the request that he had made last year, I answered, that it had already been removed, because last year he had asked that a sunken vessel at the wharf at Big Bay be removed. This particular wreck has been removed, but the one he had in mind the other night has not as yet been removed. Request for its removal has been made to the department only in the last few months, and it has been impossible to have the wreck removed so far, but we are going to remove it as soon as circumstances will permit.

Mr. McQUARRIE: What waters are included in this item?

Mr. CARDIN: All navigable waters all over Canada.

Mr. McQUARRIE: How much was spent last year?

Mr. CARDIN: Up to the 28th of February last we spent $2,954.

Mr. McQUARRIE: Does this item take care of all work of this kind?

Mr. CARDIN: Yes.

Mr. McQUARRIE: It does not take care of the operation of snag boats, and that kind of thing?

Mr. CARDIN: No.

Mr. McQUARRIE: The Department of Public Works does similar work? In the Fraser river for instance, the Department of Public Works has a snag boat operating all the time. The Department of Marine and Fisheries does not take care of any work of that kind on the Pacific coast, does it?

Mr. CARDIN: We are only taking care of occasional obstructions, for example, vessels that have sunk in rivers, but the whole work of opening water for navigation is under the control of the Public Works department.

Mr. HANSON: How is there any obligation on the government to remove wrecks that may be obstructing navigable waters? In most cases these wrecks are insured, and when they are abandoned to the underwriters it seems to me the obligation is on the underwriters to remove them.

Mr. CARDIN: We can collect from the owners when they are financially responsible, but in order that there may be no delay in the removal we have to provide a certain amount of money so that we may proceed with the work ourselves, and afterwards we try to collect from the owners of the vessel if they are financially responsible. But in cases where they are not, it would not be safe. of course, for that reason, to leave obstructions in navigable waters, and we proceed to remove them at our own charge.

Mr. HANSON: I suppose a vessel sunk in navigable waters would be abandoned by the owners to the underwriters. Do you ever collect from the underwriters? They own the hull if the vessel is abandoned and becomes a total loss.

Mr. CARDIN: Yes, we do sometimes collect from the underwriters.

Mr. HANSON: Have you made any collections in the last three years, and if so, from whom, and for what amount?

Mr. CARDIN: I am informed that there was no insurance on the boats that were removed from navigable waters in 1925-1926. I might say, however, that the barge Nash has been removed at Barachois de Malbaie by the Fidelity Insurance Company of Canada. In cases where the vessel owner or the insurance company can be forced to remove the wreck, it has always been the policy of the department to act accordingly.

Mr. ROSS (Kingston): While this item refers to obstructions that interfere with navigation, what is the procedure with regard to derelicts which, while they may not directly interfere with navigation, become a nuisance and a danger when left lying around docks? A company, for instance, will bring some old boat into a dock; it gradually goes to pieces, and is left there, and it is very difficult to get them to take it away. What are the regulations governing the removal of these derelicts?

Mr. CARDIN: The section of the statute on which we have always acted reads as follows:

The minister may, if, in his opinion the navigation of any navigable water is obstructed, impeded or rendered more difficult or dangerous by reason of the wreck, sinking, partially sinking, or lying ashore or grounding of any vessel, or any part thereof, or of any other thing, or by reason of the situation of any such,. . . cause such. . . to be removed or destroyed.

That is the power we have.

Mr. ROSS (Kingston): Suppose the company refuses to remove it; will the government remove it?

Mr. CARDIN: Yes, and afterwards we try to collect, if the company is financially responsible.

Mr. ROSS (Kingston): But in the case of these old derelicts, deserted bottoms, and so on, the government will remove them if the company refuses to do so?

Mr. CARDIN: Yes, if they are an obstruction to navigation.

Mr. ROSS (Kingston).: Suppose they interfere with anchorage, which is a part of navigation?

Mr. CARDIN: That is included in the meaning of the words "interfere with navigation."

Mr. McQUARRIE: What wrecks did you remove last year?

Mr. CARDIN: The list is as follows:

Obstuction and Location—
Steamer Lillie, Shippigan Harbour.
Steamer Birchbay, St. Lawrence River, near Portneuf.
Logs, Alberni Harbour.
Logs, St. Andrews Harbour.
Schooner Clarence Trahan, Meteghan Harbour.
Barge Badger, St. Clair river, near Russell Sound.
Tug Andre Dupre, St. Lawrence river, between Sorel and Lanoraie.
Tug Macsin, near Three Rivers.
Tug Edward G., Seven Islands, near wharf.
Logs, Maitland Harbour.
Steamer Wm. H. Wolfe, near Sombra, St. Clair river.
Scow, Burlington channel.
Logs, Weymouth Harbour.
Barge, Netley Cut, Manitoba.
Tug Seymour, Windsor, Ont.
Barge Nash, Barachois de Malbaie.

Mr. HANSON: Very frequently we see notices in the newspapers of ships becoming derelicts, and these are a grave menace to shipping, especially to liners. What is the policy of the government in this respect? And if any contribution is made to the sinking of such derelicts is it paid out of this vote?

Mr. CARDIN: We are contributing two or three thousand dollars a year towards the holding of a convention for the preservation of life at sea, but the money is not taken out of this vote.

Mr. HANSON: I have a suggestion to make to the minister. We have a very valuable navy, consisting of a few trawlers and torpedo boats, which most of the time, I understand, are lodged in a boathouse down in Halifax. Indeed the member for Northwest Toronto (Mr. Church) suggested they were stored in a garage. Why should not these boats be used for this service? It seems to me that it would be the best purpose to which they could be put. The minister might pass on my suggestion to his colleague, the Minister of National Defence.

Mr. McQUARRIE: Is this work done by contract, or how?

Mr. CARDIN: It is usually done by our own divers, but in very important cases we have it done by contract.

Mr. McQUARRIE: Do you keep the divers all the time?

Mr .CARDIN: One diver. He does this work.

Mr. McQUARRIE: Did you let any contracts last year?

Mr. CARDIN: No.

Mr. McQUARRIE: The work was all done by this one diver?

Mr. CARDIN: Yes.

Mr. McQUARRIE: So the amount expended was all paid to him?

Mr. CARDIN: Not only to him; he has to get other men to help him.

Mr. HANSON: What about the removal of obstructions in navigable rivers? I am interested in the river St. John, which is navigable for some 84 miles from its mouth. Very frequently navigation is obstructed by sunken logs. Is the removal of such obstructions paid out of this vote?

Mr. CARDIN: Yes.

Mr. HANSON: How much work was done on the St. John river last year?

Mr. CARDIN: None at all.

Mr. HANSON: Why not? There is never a season when it is not necessary to remove snags from that river. I have heard complaints from St. John river captains that the work has not been done recently. Under the old government the work was let every year to one of the tug-boats companies. I asked about the item a few years ago and was told the service was done very efficiently by a certain company, but I was never able to find out the name of that concern. I should like to know what work has been done since the navigation season of 1921.

Mr. CARDIN: I have no information that any work has been done on the river St. John. We have no record of any complaints having been made of the nature mentioned by my hon. friend. Possibly the work to which he refers has been done in years gone by by the Department of Public Works.

Mr. HANSON: That is what I was going to suggest.

Mr. BELL (St. John): The owner of the steamer that plies between St. John and Fredericton writes me that his boat has grounded two or three times during the past season. Would the work of keeping the river safe for navigation come under the Public Works department?

Mr. CARDIN: If my hon. friend will be kind enough to send me the letter I will make the necessary investigation, and if the work does come under our jurisdiction, I shall be quite ready to have it attended to.

Mr. HANSON: I think dredging comes under the Public Works department. I hope the minister will give the matter attention.

Mr. CARDIN: Most decidedly.

Mr. HANSON: If this is the item under which the department in previous years has paid for removing snags from the St. John river, I hope something will be done this season along the same lines.

Mr. CARDIN: We have never performed any work of this kind; this work is under the jurisdiction of the Public Works department.

Mr. ANDERSON (Halton): This item also applies to the Great Lakes?

Mr. CARDIN: Yes.

Mr. ANDERSON (Halton): Does the same amount each year, $5,000, take care of the removal of snags everywhere, or is this item simply for salaries?

Mr. CARDIN: This applies really to the removal of sunken vessels which have become obstacles to navigation. It does not apply to the dredging of navigable waters, which is attended to by the Public Works department. We only look after exceptional cases.

Mr. ANDERSON (Halton): It would be interesting to know whether any obstructions along the Great Lakes were removed during 1923-24, for I notice the vote is the same for each year.

Mr. CARDIN: The only case I have is the removal of an obstacle in the St. Clair river last year.

Mr. ANDERSON (Halton): I would have thought that if the vote was for the removal of snags from navigable waters it would vary from year to year. Why is the same amount asked for every year?

Mr. CARDIN: We never know how much will be required for this work, so we follow the practice of asking for $5,000, which for a number of years has been found sufficient to meet any requisitions for the removal of obstructions. We have nothing definite upon which we can base our estimate.

Mr. ANDERSON (Halton): That amount is expended every year?

Mr. CARDIN: No, it is not entirely expended every year.

Mr. ARMSTRONG (Lambton): Can the minister tell me what amount was expended in removing the sand and gravel at the point where the waters from lake Huron enter into the St. Clair river, and the number of yards that were removed?

Mr. CARDIN: My information is that this is not under our jurisdiction.

Mr. ARMSTRONG (Lambton): Does the minister tell me that the obstructions to navigation at the point where the waters of lake Huron enter the St. Clair river are not under the control of this government?

Mr. CARDIN: They might be under the control of the department of Public Works.

Mr. ARMSTRONG (Lambton): What obstructions did the department remove from the river St. Clair?

Mr. CARDIN: We removed a steamer, the Wm. H. Wolfe, which was wrecked and abandoned.

Mr. ARMSTRONG (Lambton): What did it cost to remove the steamer?

Mr. CARDIN: The cost was $1,654.

Mr. ARMSTRONG (Lambton): Could the minister tell me what dredging, if any, was done, or what obstructions the department removed from the river Thames between Wallaceburg and Chatham?

Mr. CARDIN: We performed no such work.

Mr. ARMSTRONG (Lambton): No dredging was done by the department?

Mr. CARDIN: No, not by our department.

Mr. ARMSTRONG (Lambton): I suppose it would be the Public Works department that removes obstructions in those rivers.

Mr. CARDIN: The dredging is done by the Public Works department. My department is looking after the dredging of the St. Lawrence ship channel only.

Mr. ARMSTRONG (Lambton): And the removal of snags?

Mr. CARDIN: Yes.

Mr. ANDERSON (Halton): In what year was that removal made?

Mr. CARDIN: Last year.

Mr. McQUARRIE: Why is it that the minister's department has charge of the dredging of the St. Lawrence and not of the other rivers?

Mr. CARDIN: Prior to fifteen or twenty years ago the St. Lawrence ship channel was under the control of the Department of Public Works, but there was a change; the St. Lawrence channel was transferred to the Department of Marine and Fisheries. If I remember correctly it was during the time that Hon. Mr. Prefontaine was minister of Marine and Fisheries.

Mr. McQUARRIE: What were the reasons?

Mr. CARDIN: I do not know what the reasons were at that time.

Mr. McQUARRIE: The minister does not know the reasons now.

Mr. CARDIN: I do not know why they did it.

Mr. McQUARRIE: Why is it not retransferred to the Public Works department, to make it uniform?

Mr. CARDIN: That might be a subject of consideration in the remodelling of the department.

[Mr. Cardin.]

Mr. HANSON: Is it not a fact that the transfer of the dredging of the channel of the St. Lawrence from the Public Works to the Marine department has been the cause of great expense to the public, on account of the overhead involved? The Department of Public Works has a complete outfit of dredgers, superintendents, and so on, and the transfer of this dredging from the Marine department to the Public Works has necessitated a duplicate system of overhead which is very costly to the country. If the minister wants to make a name for himself he will retransfer this dredging to the department of Public Works. The reason why it has been retained in the Marine department, I imagine, is that the St. Lawrence channel is under the Department of Marine and Fisheries, and of course having charge of this dredging magnifies the importance of the department and gives them more money to spend in Quebec, from which province for many years the minister of Marine and Fisheries has come. I suggest that if the minister wants to save the country a considerable amount of money he will do away with this duplication of overhead in the dredging service, and vest all that service either in his department or in the Public Works department. Let us save a little money on the dredging.

Mr. McQUARRIE: Does the work on the St. Lawrence ship channel come under the engineer of the Public Works department, or is there an engineering department in the Marine and Fisheries?

Mr. CARDIN: We have an engineering department looking after the work we are performing. There is a vote regarding that which will be considered later.

Mr. LANGWORTHY: Does this item apply wholly to the obstruction of navigable waters?

Mr. CARDIN: Yes.

Mr. LANGWORTHY: I have in mind the state of affairs in Port Arthur, where we have plenty of derelicts which poke their noses above water. We call it the graveyard. It is an eyesore to the community. Has the Marine department any control over that?

Mr. CARDIN: That would come under the jurisdiction of the Public Works department. We have the same thing in the Richelieu river, in the constituency I represent.

Mr. LANGWORTHY: I wish the minister would see that the other department looks after this graveyard in Port Arthur and gets the obstruction cleared up. It is an unsightly place.

Item agreed to.

Inspection of live stock shipments, $4,000.

Mr. CARDIN: This proposed appropriation is to provide for the inspection of ships carrying live stock to European ports, to see that they are properly fitted up and equipped in accordance with the provisions of the live stock act. The act provides that ships carrying live stock cannot clear from any port without a government certificate.

Mr. TOLMIE: How many cubic feet do you allow per animal?

Mr. CARDIN: I must admit that the regulations are rather complicated and rather long. I see, for example, that cattle carried on third deck must in all cases have a space of two feet eight inches in width and eight feet in length. For fat cattle carried on the upper deck there must be a space provided of two feet six inches clear in width by eight feet in length, and not less than six feet three inches in height.

Mr. TOLMIE: Can you say whether there is any marked superiority in those new cattle shipping boats—I think it is the Jensen line—which have been put into commission recently, compared with the old system?

Mr. CARDIN: We have no exact information as to the advantages of the new system. The only information we have is that it provides for carrying cattle on five decks instead of three. The results are satisfactory, but we cannot say whether there has been any improvement over the other system.

Mr. TOLMIE: What are the general provisions for ventilation and at what temperature are the cattle kept?

Mr. CARDIN: This is part of the report that has been made:

The system of ventilation arranged is ample for the requirements as set out by the British Ministry of Agriculture.

In the compartments where the change per hour is slightly under ten, the loss in efficiency can be attributed to:

1. The zero conditions prevailing at the time the tests were made, one of the fans being frozen.
2. Lack of steam pressure at intervals, and
3. The storage of fodder by the stevedores in every available space, irrespective of the location of the air supply and exhaust ducts, the free circulation of air in certain compartments being badly obstructed.

With higher temperatures at sea, steadier steam pressures, and consumption of the fodder during the voyage, conditions would be improved.

A survey of the four lower compartments aft during Sunday afternoon after the cattle had been two days on board showed the atmospheric conditions to be excellent.

Hon. gentlemen will understand that the matter is complicated.

Mr. MULLINS: What are the regulations in regard to shipping store cattle—that is cattle under 1,000 pounds—on these vessels? Are five being put in "four" space and if so what is the size of the space—two feet eight, or two feet six?

Mr. CARDIN: I am afraid my hon. friend is asking about a matter with which he is more conversant than I am. Probably he is asking for something that he already knows. It is rather hard for me to find it in the long list of regulations which I have before me.

Mr. MULLINS: I am asking for information. It is overcrowding cattle to put them in a space two feet six inches wide. It is not fair to put five cattle in space for four, giving each only two feet six.

Mr. CARDIN: We have two inspectors in Montreal, one in St. John and one in Quebec.

Mr. HANSON: I have been wondering why this appropriation comes under the Department of Marine and Fisheries. Logically speaking I think it should come under the purview of our friend the Minister of Agriculture, who has taken a great interest in this matter. It pertains to the safe passage of cattle and their arrival in a proper condition in the Old Country. Has this always been under the Department of Marine and Fisheries?

Mr. CARDIN: Yes.

Mr. HANSON: Why?

Mr. CARDIN: Probably the idea is that the Department of Marine and Fisheries is dealing more directly with steamboat inspection.

Mr. DAVIS: Has the minister seen the results of any inspection that has taken place of the shipment of cattle from Canadian ports?

Mr. CARDIN: We are not making an inspection of the cattle. We inspect only the fittings which are placed on the ship.

Mr. DAVIS: Has the result of the work of those inspectors been to bring about changes for the better in regard to the shipment of cattle?

Mr. CARDIN: The idea was to bring about better results but the inspectors we have are not interested at all in the cattle. They inspect only the fittings upon the vessels in order to ascertain whether or not they comply with the regulations.

Mr. DAVIS: During the inspection has any change in the fittings ever been made upon the recommendation of the inspectors?

Mr. CARDIN: Numerous changes have been made.

Mr. MULLINS: To whom do the inspectors report? If five cattle are put in space for four, do they get the standard two feet eight inch space they should have?

Mr. MOTHERWELL: Perhaps I could supply the information. If animals are under 1,000 pounds, five are put in a stall; if over 1,000 pounds, four are put in a stall. With respect to the first report we have had from our inspectors who accompanied the first consignment by this specially equipped boat, the results have been quite satisfactory as regards the cattle. Of course the first shipment was made under very difficult circumstances owing to the storm, about which my hon. friend knows; but notwithstanding the arduous voyage the animals had they came through with less shrinkage than any cattle on any other boat that was on the Atlantic at the same time. This was due to the better facilities for taking care of the animals during the storm through which they were passing, and their increased comfort during the voyage; although there was not complete satisfaction because it was the first shipment and certain difficulties were experienced which they had not anticipated. They had a shortage of coal and they had to slow up the boat to six knots an hour, so that the voyage took several days longer. But in spite of all those difficulties this cattle shipment came through better than any other boat that carried cattle during the same period. We have no report as to the second boatload, except a wireless as to its arrival on the other side. Everything seems to indicate that the five-deck boat has come to stay. Some changes have been made in regard to ventilation after the experiences of the first trip. The facilities as regards cleaning the animals have been improved. They provide for taking them out every day. According to the report that has been submitted to us, the facilities will have to be considerably enlarged to provide for the proper cleaning of the quarters. Otherwise the necessary sanitation will have to wait until the arrival of the ship on the other side. The first attempt at improving the facilities has been successful and the second trial promises an equally satisfactory result.

Mr. McGIBBON: What is the sense of inspecting the hygienic surroundings of the animals when the animals themselves are not examined for disease?

[Mr. Cardin.]

Mr. MOTHERWELL: The vessels are equipped to comply with the regulations of the British Board of Trade, and our cattle are not allowed to land unless those regulations are observed.

Mr. McGIBBON: The health of the animals is infinitely more important than the surroundings in which they are shipped. It was simply because of an alleged outbreak of disease among some of the cattle shipped from this country twenty-five or thirty years ago that our Canadian animals were kept out of the Old Country for so long a period.

Mr. CARDIN: The animals are inspected by the officers of the Department of Agriculture.

Mr. MULLINS: It is important to know definitely whether the animals are given adequate accommodation. To whom do the officials report in this regard? Does the inspector report to the minister?

Mr. CARDIN: This officer reports to the Department of Marine and Fisheries if the fittings, and so forth, are in accordance with the regulations.

Mr. MULLINS: He measures the space?

Mr. CARDIN: Yes.

Mr. HANSON: Who is the inspector at St. John, and what is the salary?

Mr. CARDIN: The inspector, Mr. J. M. Martin, receives a salary of $300, working part time.

Mr. FOSTER: Who is the inspector at Halifax?

Mr. CARDIN: There is no inspector there.

Mr. FOSTER: If we succeed in re-establishing the industry in Nova Scotia, will the minister give us an assurance that he will appoint an inspector at Halifax and that the department will lend every assistance in building up the trade again?

9 p.m.

Mr. CARDIN: Most certainly.

Item agreed to.

To continue subsidies for wrecking plants—Quebec and British Columbia, $35,000.

Mr. HANSON: This subsidy applies to the St. Lawrence and to the west coast. There are two plants in the Maritime provinces, the St. John Shipbuilding Company in New Brunswick, and Beasley Brothers in Halifax. Why does the item discriminate

against these firms? Why is this all allotted to one firm on the Pacific coast and one on the Atlantic, without any allotment to the salvage companies of Halifax and St. John?

Mr. HEAPS: I would like to ask, Mr. Chairman—

Mr. HANSON: I would like to have an answer, with all due respect to the hon. member for North Winnipeg.

Mr. CARDIN: I am informed that in years past we gave a subsidy to a salvage company on the Atlantic coast, but it has been discontinued on account of representations made by other companies interested in salvage work. They preferred to have the competition open to all companies, instead of giving a preference to any one firm. That is the reason.

Mr. HANSON: I quite understand that they wished to get the work on a purely salvage basis; they make or break, as the case may be. If they win they win big; if they lose, they do not get anything. It seems to me that if there is enough work that scheme should be followed out by the government and the vote should be abolished. I suggest to the minister that he consider the advisability of cuting his vote out here and now. It will save the country $35,000. It has been demonstrated by the minister himself—and I am sure that he was backed up by his deputy, from whom no doubt he got the information—that so far as the Atlantic coast is concerned they do not want a subsidy; they prefer to have it in a go-as-you-please way, taking a chance on the work. There is a well-equipped plant in the city of St. John and another, I believe, in Halifax; they are private firms and do work at a profit. They take their chance on getting the work, and on being paid if they are successful. Usually they take work on this basis: if they do not complete the job they get no money at all. It seems to me this principle could well be applied on the St. Lawrence, and there is no necessity for this subsidy to the Davie Shipbuilding Company at Quebec. I invite the minister to delete this item from his estimates this year and thus save the country $35,000.

Mr. BLACK (Halifax): I would like to ask the minister if these subsidies were granted by tender or by competition, or how they were granted.

Mr. CARDIN: The reason for giving this subsidy to the Quebec plant is that first of all it is the only plant on the St. Lawrence river. This plant was not prosperous; it was about to close on account of poor business, and it was represented to the department by the shipping interests that we should give it assistance in order to keep it in operation. The Canadian Pacific Railway has taken over the plant and apparatus and formed a subsidiary company, so in reality they are operating this salvage plant on the St. Lawrence in order to have at least one such plant on that river. It was thought that this establishment, which is very useful to the steamship companies on the St. Lawrence, was about to be closed; the plant is absolutely necessary, and we extended the subsidy, as I desire to insist, upon recommendations made to the department by the shipping interests.

Mr. HANSON: I think the minister has given an additional first class reason why this vote should be eliminated. In other words the government are giving a subsidy to a great company like the Canadian Pacific Railway Company, which operates an immense line of shipping on the St. Lawrence and to whom $35,000, or—how much is allotted to the St. Lawrence?

Mr. CARDIN: Twenty-five thousand dollars.

Mr. HANSON: That is a mere bagatelle to the Canadian Pacific Railway Company. If that plant is necessary to the company they will take its cost out of the travelling public, and that amount should be saved to the public. A subsidy is not necessary on the Pacific coast, and I suggest that if a great casualty should happen some ship the salvage facilities of St. John and Halifax could very well be brought up to where they were needed. I again invite the minister to cut out this vote. It is there because it has been there for a good many years. It is like a great many other votes; once they get in the estimates—and I think the minister will be the first to recognize this truism—it takes a team of oxen to get them out again. A great corporation like the Canadian Pacific Railway can get along without this subsidy.

Mr. CARDIN: This subsidy is not granted merely to meet the requests of the Canadian Pacific Railway Company; this plant is absolutely necessary to all navigation companies having boats plying the St. Lawrence. The situation there might be different from that which prevails in the Maritime provinces. There is probably not sufficient work to develop the St. Lawrence plant and have it maintained by a private company. If we do not give a subsidy to this company which now exists, this plant may be done away

with and we would be placed in a very embarrassing position. I would not care to take upon myself the responsibility of stopping its operations and thus exposing the government to the very severe and well founded criticism of all the companies drawing benefits from this plant. Navigation on the St. Lawrence is a very important matter, as is navigation everywhere, and the government should take and is trying to take every precaution and every care in order to protect navigation. We have been informed that if we do not pay this subsidy the plant will be closed, and what then will be the position of the government? We will be exposed to the criticism of the companies and probably to the criticism of the members, voicing the public interest of this country. I would not care to take the responsibility of dropping this vote, because I am convinced that it is absolutely necessary.

Mr. ROGERS: If it is necessary at Quebec why is it not necessary at Halifax?

Mr. CARDIN: Because there are several other companies at Halifax, and they have informed the department that they want to be free in competition; they do not want any company subsidized by the government. There is no such thing at Quebec; there is no such thing on the St. Lawrence at all, because there is only one company, which, unassisted, is not capable of making both ends meet.

Mr. ROGERS: What about the $10,000 which is given to British Columbia? You have a number of private companies there; why should this company at Quebec be favoured above other companies?

Mr. CARDIN: Probably the representations which have been made in regard to British Columbia were similar to those made regarding the St. Lawrence. The situation might be very different from that of the Atlantic coast.

Mr. BLACK (Halifax): I would like to point out, Mr. Chairman—

Mr. TOLMIE: I think the minister would take a great responsibility in eliminating this particular vote with regard to British Columbia and the Pacific coast.

Mr. LAPOINTE: And Quebec also.

Mr. TOLMIE: I am not so familiar with Quebec, but I want to say that the salvage companies keep excellent boats on hand, fully equipped for service. One company recently paid a high price in England for a very powerful tug, one of the most powerful on the Pacific coast, for the purposes of salvage. These boats are kept under steam, and their crews are maintained on their regular wages, ready at all times to proceed to sea on the shortest possible notice, with the result that when a wreck takes place they are able to render immediate assistance and save very often a large amount of money, in many cases perhaps many lives. They are rendering a very excellent service. If this subsidy were wiped out and this work were split up it would probably not be nearly as efficient as it is at present, and the minister would be assuming a very grave risk if he did anything of the kind without first making a very thorough investigation of the situation. The more he investigates it the greater reason I am sure he will find for maintaining this subsidy.

Mr. BLACK (Halifax): By this subsidy the government is creating unfair competition with the Atlantic coast. Wreckage occurs, and tenders are asked for salvage of that wreckage. The Atlantic coast companies are handicapped to the extent of the $25,000 which is given to Quebec, to the salvage association there. So far as the Atlantic coast is concerned, we do not want any subsidy for that kind of work, and we do not think—I do not think—that any subsidy should be paid to any company for work of that nature. It is unnecessary. The wrecks are numerous enough, and the work in connection with the salvage of these wrecks is profitable enough, to permit these companies to work without any government assistance at all. I quite agree with my hon. friend from York-Sunbury that there is no occasion for a vote of this kind, and I endorse his suggestion that the minister drop the item from the estimates. It is money that can be well saved. I repeat that the expenditure is unnecessary; it creates unfair competition, and the wrecking companies are doing quite well enough without any government assistance.

Mr. LAPOINTE: Surely my hon. friend does not suggest that the Atlantic coast companies would come up into the St. Lawrence river to do salvage work there; they would arrive much too long after the accident happened to be of any use. This salvage plant is just as necessary for the equipment of the St. Lawrence route as are the lights and buoys and other aids to navigation which are provided. The salvage plant which was operated by the Davie Company—I happen to know something about it—was operated at a loss.

It could not continue, and the shipping companies got together and came to the government, and finally the Canadian Pacific railway agreed to take over the plant and operate it with any losses that might occur in operation, provided that the Department of Marine and Fisheries, acting in the interests of the navigation of the St. Lawrence route, as well as for the benefit of all the shipping companies, would pay the subsidy. This salvage plant is needed for the St. Lawrence route, and I am surprised to hear my friend from Halifax suggest that it comes in competition with the Atlantic coast companies. I thought we were friends. I thought Halifax and St. John were interested in the navigation of the St. Lawrence river, using Quebec in the summer and Halifax and St. John in the winter, and I am surprised to see him working against the St. Lawrence route.

Mr. ROGERS: My friend from Quebec East is apparently very anxious that Quebec should get the whole vote. Neither St. John nor Halifax gets any of it.

Mr. LAPOINTE: They do not need it.

Mr. ROGERS: Why do they need it in Quebec?

Mr. LAPOINTE: Because the company was operating at a loss, and it could not go on.

Mr. CHAPLIN (Lincoln): Was it not efficient?

Mr. ROGERS: There is no reason why the company should not be efficient and make money at Quebec the same as at any other place.

Mr. LAPOINTE: It could not be done. There is less business than on the Atlantic coast.

Mr. ROGERS: The Canadian Pacific will not go broke on that work. You are just wasting $35,000.

Mr. LAPOINTE: I was Minister of Marine and Fisheries when this government came into power in 1921, and this condition existed then. This subsidy was paid by the government, I was going to say of which the hon. member for South Winnipeg was a supporter, but at all events it was paid by the government which most hon. gentlemen immediately opposite were supporting at that time. It was done because it was necessary, and we have to continue this arrangement because it is necessary.

Mr. ROGERS: Two wrongs do not make a right.

Mr. LAPOINTE: It is two rights.

Mr. CHAPLIN (Lincoln): In reference to what the Minister of Justice has just said, I wish to call his attention to the Estimates for 1920-21, in which this vote for $35,000 appears, and this is how it read:

To continue subsidies for wrecking plants in Quebec, Maritime provinces and British Columbia.

So since that time the vote has been changed.

Mr. HEAPS: I feel inclined to agree with those who are opposed to this subsidy. I have heard no good reason given yet why it should be continued. If every concern in Canada that is losing money can come to this government and get a subsidy, there will be no end of applications for subsidies. What I really wish to ask the minister in charge of the department is this: What is the actual amount of work that was done in the St. Lawrence by the company that has received this subsidy for the last few years? What service have they performed for the subsidy of $25,000?

Mr. CARDIN: It might be of interest to the committee to know what are the earnings and the expenses of this wrecking plant. Their expenses are $81,000, and their earnings, including the subsidy, are only $56,000. They are receiving from their private work only $31,555.79. They have a loss every year, and the loss last year was $25,136.95.

Mr. HANSON: Surely the minister is not so guileless as not to know how easy it is to show a bookkeeping deficit to suit the circumstances and get a subsidy. It would not be the first time that has been done, and he would not be the first minister. While I am on my feet, let me say that the Minister of Justice cannot get away with any such story as he has told us to-night. Everybody knows that there are more wrecks in the St. Lawrence than on the Atlantic coast around St. John and Halifax, and if the salvage operators at St. John and Halifax are willing to take their chances on this class of work without a subsidy, surely there is some concern on the St. Lawrence that can take the same chance. The way this works out is just this: The shipping companies which have losses on the St. Lawrence are probably getting their work done at a very great deal less than the tramp steamers and liners which have to have work of this kind done on the Atlantic coast, because they have to pay on a true salvage basis, and if the salvage operators make a successful job of it they get a large sum in compensation. That is how they make money if they make any money at all. There is no longer any real

justification for this vote, especially in the light of the circumstances and the information that the minister has given to the committee since this item came before it.

Mr. BLACK (Halifax): The Minister of Justice seems to have come to the relief of his colleague in a very heated manner; he seems to have lost some of his patience. I want to say to him that I am not attacking the St. Lawrence route. If this subsidy is withdrawn, and if the company which is enoying the subsidy ceases to do the work, I am perfectly satisfied that the combined steamship companies operating on the Atlantic, together with the underwriters, will very soon provide themselves with an efficient salvage plant to take care of any wrecks that may occur. Probably under those conditions they would confine themselves to the St. Lawrence and not get beyond its mouth. I repeat the subsidy is unwarranted, and I would again suggest to the minister that it be withdrawn.

Mr. NEILL: Mr. Chairman, I am surprised at the callous indifference with which hon. gentlemen from the Maritime provinces, after advancing what they think to be good reasons why the Atlantic vote should be reduced or withdrawn, cheerfully propose to throw British Columbia into the discard by simply sweeping away the whole vote without advancing one particle of reason why that province should be discriminated against. I must support the attitude taken by my hon. friend from Victoria (Mr. Tolmie). The company that got this subsidy are, I believe, very good friends of hon. gentlemen opposite, and I have no doubt they support the ex-Minister of Agriculture. But that is by the way. Their services are absolutely needed on the Pacific coast. We have not got any other private companies there interested in the wrecking business that amount to very much. I think my hon. friend from Victoria will confirm my statement that this wrecking company brought their latest boat out from England last year at enormous expense, it being fitted not only for wrecking purposes but for life-saving, and the subsidy covers the dual services. As my hon. friend said, the steamer is kept at Esquimalt harbour with steam up all the time. What the conditions may be in the east, I do not propose to discuss, but I do not think hon. gentlemen from the Maritimes should try to interfere in regard to this matter with which they are not acquainted. Conditions in British Columbia are totally different to those in the east. Not only that, but if there is to be any change I would say that the subsidy for British Columbia should be increased. It is well known that the government have gone to some expense, and I give them credit for it, in improving the life-saving appliances on the west coast. It is essential during four months of the year to have a boat of the same character stationed at a place called Bamfield, where it would be more readily accessible to respond to calls from ships in distress on the west coast than at Esquimalt, which is too far away. I have always tried to get this boat stationed at Bamfield for the winter months, but they say the subsidy is not sufficient, as they would have to keep another boat at Victoria, and the extra expense would not be justified. For the last three or four years the government has put one of its naval boats, the Thiepval, and one of their trawlers, the Givenchy, on this service. Those boats are very well in their way and are better than nothing, but they are quite unsuited, for they have neither the requisite speed nor power. If a boat is disabled on the west coast you need a craft powerful enough, such as that subsidized by the government, to go and pull her offshore before it is too late. The naval boats utilized by the government are not fit for this work for, as I say, they have not sufficient weight and power. But they are better than nothing and have rendered very good service, as the committee will appreciate from a letter which I am about to quote:

> The Thiepval did very good service during the winter, Lieut. Godfrey in command. Recently he got out of here and got a line aboard the Mexican sailing ship disabled off Garmanah, beating the fast U.S. Snohomish by a few lengths, although she had only a 24-mile run from Flattery.

He concludes his letter in this way:

> We are glad that sensible people are running these affairs of the navy and would like them to know of our appreciation.

Nevertheless those boats are not suited for the work. Some time or other they will be called upon to go out and save a lot of passengers or a valuable cargo, but they will be unable to do so for lack of power. I call on my hon. friend from Victoria to support me that if any change is made in this vote it ought to be by way of increased subsidy to enable that wrecker to be placed on the west coast during the winter months.

Mr. ANDERSON (Halton): Will the minister tell us how many wrecks have occurred along the Atlantic coast, in the St. Lawrence river, and on the Pacific coast?

Mr. CARDIN: I have no record at hand of wrecks on the Atlantic coast because these estimates do not deal with that part of the work. I had a record of wrecks on the St. Lawrence route where the Quebec Salvage Company is operating. Last year from June to December they rendered assistance to sixteen ships in distress.

Mr. ANDERSON (Halton): Was that for the navigation season of 1925?

Mr. CARDIN: Yes.

Mr. ANDERSON (Halton): Has the minister any records of wrecks on the Pacific coast for the same period?

Mr. CARDIN: There were fifteen on the Pacific coast.

Mr. STEVENS: Were they all assisted by this salvage company?

Mr. CARDIN: Yes.

Mr. ARMSTRONG (Lambton): As practically every member from the eastern provinces is opposed to the part of this subsidy relating to the Atlantic, representing $10,000, and as the minister himself has expressed his agreement with them, I am at a loss to know why he does not reduce the item by that amount.

Mr. CARDIN: The subsidy for the Atlantic ports was dropped three or four years ago. The work is now done under contract.

Mr. ARMSTRONG (Lambton): I understood the minister to say that he was paying $10,000 of this subsidy towards the Atlantic service.

Mr. CARDIN: No; $10,000 is for the Pacific coast.

Mr. BOYS: Of course if it is under contract we have simply got to pay it until the contract expires. How long does the contract run?

Mr. CARDIN: The contract with the Quebec Salvage and Wrecking Company was renewed May 1, 1922.

Mr. BOYS: For how long?

Mr. CARDIN: Five years.

Mr. ROGERS: You have to pay it anyway for five years.

Mr. BOYS: Can the minister give us any further information in regard to this contract?

Mr. CARDIN: It was renewed last year. It was for a period of ten years from the 2nd of July, 1925.

Mr. BOYS: If the committe had that information a little while ago the discussion would have terminated, because we could not get out of it if we wanted to.

Mr. HANSON: In previous years, I know in 1919 and 1920—a subsidy was given to salvage companies operating on the Atlantic coast. Why was that cut out? Was it at their own request?

Mr. CARDIN: It is important to note that on the Atlantic coast several companies are doing the same work. They are not in the same position as we are on the St. Lawrence route. We have only one company there. There are several companies on the Atlantic coast and they have made representations to the department that they preferred to be free to compete for the work to be done on the Atlantic coast, and we have stopped giving subsidies to the Atlantic companies.

Mr. BOYS: When was that done?

Mr. CARDIN: About 1922.

Mr. BOYS: Was that done absolutely on the request of the wrecking companies?

Mr. CARDIN: Yes, on account of the representations made by the companies that no assistance be given to any company; that they preferred to be free to compete for the work.

Mr. HANSON: In other words, one company which has a monopoly of the traffic on the St. Lawrence is not able to make both ends meet, while several companies in St. John, Halifax, Sydney and elsewhere are competing against each other and desire to wipe out all government assistance and go ahead on their own account. But they cannot do that in the city of Quebec. I always understood that Quebec was a pap-fed province, and now I know it.

Mr. LAPOINTE: Those words will be taken down.

Mr. ROSS (Kingston): Will the minister give us an explanation why a bonus should be given to companies from Montreal down the St. Lawrence when it is not given to companies from Montreal up? There is the Donnelly wrecking company of Kingston; they get no assistance. They do all the work in the upper part of the river.

Mr. CARDIN: No representation along those lines has ever been made for assistance to any other port, anywhere.

Mr. ROSS (Kingston): Does the hon. member not think it a peculiar thing that this company above Montreal can carry on, make money and maintain a big plant, while the companies below Montreal must get assistance?

Mr. CARDIN: The figures speak for themselves. This company has expenses of $81,000, and its return, without including the subsidy, is only $31,000. Even with the subsidy of $25,000 that we are giving them, they are making a loss every year of $25,000. Is there any chance of their keeping their plant in operation if we do away with the subsidy? They would certainly close, and the minister of Marine and Fisheries, whoever he might be—it might be my hon. friend opposite—would be criticized if anything happened.

Mr. ROSS (Kingston): It is peculiar that one company from Montreal must get a grant, while above Montreal no company asks for a grant.

Mr. CARDIN: Possibly the reason is that there is no necessity for assistance.

Mr. ANDERSON (Halton): I think the minister stated that they gave $10,000 for fifteen wrecks on the Pacific coast.

Mr. CARDIN: That was not all for wrecks. Assistance was given to them.

Mr. ANDERSON (Halton): On the St. Lawrence there were sixteen cases, and the minister states that $25,000 was given for salvaging those cases, why is there such a difference in the figures?

Mr. CARDIN: It is comparable to the case of a man who insures his house. We have to insure and protect the navigation company, and we have to be prepared to proceed to the wrecks and give assistance. We do not know what will happen. A man may pay a premium for many years and his house will never burn, but he is fully justified in paying that premium. We do not know what position we may be placed in, but we are taking the precautions indicated to us as necessary by those who are supposed to know. We are doing this in the same manner as we are giving all the other assistance to navigation in this country. The Minister of Justice has referred to lighthouses, buoys, and so on; we are doing all this to help navigation and to have our waters as safe as possible, to protect the trade of the country. If we should stop such aid now we would have to bear the responsibility.

[Mr. Cardin.]

Mr. ROGERS: I suppose you have more wrecks on the St. Lawrence than you have on the coast?

Mr. CARDIN: Judging from the earnings there seem to be less, because they have not enough to meet their obligations.

Mr. ROGERS: That would not follow.

Mr. CARDIN: On the Atlantic they do not want the subsidy, and say "Let us compete."

Mr. ROGERS: What would be the earnings of the wrecking plant in British Columbia?

Mr. CARDIN: I have not a statement of the earnings and expenses of the British Columbia company.

Mr. QUINN: The minister has frequently stated that owing to the competition among the wrecking firms in Nova Scotia and New Brunswick there is no need for a subsidy being given to any of them. It seems to me that the granting of this subsidy of $25,000 to one concern on the St. Lawrence tends to prevent competition, because it is only natural that a wrecking company which anticipated going into that business would not think of establishing a plant where there was already a plant subsidized to the extent of $25,000. I suggest that the minister withdraw this subsidy, to encourage competition and obtain the results which we are enjoying in the Maritime provinces. He stated a few moments ago that the St. Lawrence was too far away from the wrecking plants in Nova Scotia and New Brunswick. I might draw his attention to the fact that we have had successful operation of wrecking plants from Halifax as far east as the straits of Belle Isle, and only two years ago the Beasley firm, well known to members on the other side of the House, successfully salvaged a number of guns from the H.M.S. Renown. If they can do that I submit they can go as far as the St. Lawrence river. The government might well withdraw this subsidy of $25,000—I say nothing about the British Columbia subsidy—and let the companies proceed as they do in the Maritime provinces.

Mr. ARMSTRONG (Lambton): Has the minister had any request from wrecking companies on the Great Lakes? The minister has some idea of the enormous traffic on those lakes. He has already had a vote passed for the removal of one wreck in the river St. Clair. During the busy season of the year a boat passes that place every seven minutes going down or up the river. I cannot

understand why these subsidies should be granted to wrecking companies in the lower part of the St. Lawrence and other parts of Canada and not extended to the Great Lakes if the scheme is considered a feasible one.

Mr. CARDIN: No request has been made to the department to subsidize any companies in the territory mentioned by my hon. friend.

Mr. CHURCH: This is the fifth session of parliament that I have brought up this question in connection with this $35,000 item, and I wish to protest on behalf of the ports on the Great Lakes regarding all these maritime votes not covering the Great Lakes as well as the ocean and river. I want to find out from the minister whether this is just a vote for the ocean. Where do the Great Lakes come in on this particular proposition? Are the people of the Great Lakes just to be hewers of wood and drawers of water to the ocean and its traffic and to pay the cost thereof? Is this department going to continue to be a political department?—because it has never been anything but a political department for both parties since confederation. It assists certain sections at the expense of the rest of the country. We have passed four or five items to-night but I was not here when two or three of them were being discussed.

The other day I introduced to the minister a delegation representative of all the shipping interests, captains and Canadian lake navigators on the Great Lakes, and he received them very courteously. They were asking for certain reforms in regard to this particular department. The people of the Great Lakes are getting sick and tired of paying taxes and getting nothing at all in return. As I pointed out two or three years ago, these votes should be cancelled altogether at the end of the five year contract period.

This particular item of $35,000 for wrecking plants in Quebec and British Columbia, is mixed up in politics and it should never have been granted by parliament. If you have a vote like this for one or two plants in Quebec and British Columbia, why not have grants for wrecking plants throughout the whole of Canada? Why is there not equality of treatment? The Railway Act provides for equality of treatment in regard to transportation and wrecking plants on land; why is there not equality of treatment on water? Are we to continue as in the days of John and Sebastian Cabot and Christopher Columbus, who never heard of the Great Lakes? The department has always been a political department and will always continue to be as long as the ports on the Great Lakes fall for it. I am sorry to say that when this vote has been up in this House during the last three or four sessions the members from Ontario have been afraid to get up in their places and speak about it.

In front of the Niagara there is a large sand shoal where there a wreck may occur to any of the wonderful boats which carry a million and a half passengers a year, yet the government will do nothing. We have pointed this out to the government. I do not blame the present government at all in regard to this matter because the late government was just as bad. The quicker the Department of Marine and Fisheries gets out of politics the better.

I received a letter from Commodore George H. Gooderham, of the Royal Canadian Yacht Club, Toronto, asking that certain shoals in the bay of Quinté and the Murray and Trent canals be removed, but four or five years passed and nothing was done. They had a wreck in Toronto off the exhibition on the Modgeska and a very fine officer, Captain Henderson, lost his certificate. Why? Because the wreck commissioner was an ocean-going officer who did not understand lake waters, and he cut off the certificate of a man who knew more than the wreck commissioner did. I am pointing this out just because you, Mr. Chairman, have been a good friend of the Great Lakes. The day is coming when the general policy of the government regarding Dominion services such as aids to navigation, wrecking plants, life-saving, navigation schools, examinations of masters and mates and all these other items we have passed to-night, should extend not only to the St. Lawrence and the gulf but right to the head of the lakes.

On lake Superior and lake Huron wrecks occur in bad weather, and if you look around for a wrecking plant you cannot get one. On lake Ontario conditions are so bad that you have to get a private wrecking plant at Kingston, and it may have to go two or three hundred miles to reach the scene of the accident. A Dominion government dredge, the Sir Wilfrid Laurier, was wrecked off Newcastle in a storm involving a cost of $700,000, and it took seven years to find it. They had to import wrecking plants from Germany and other parts of the world to find where that dredge was, and they discovered it in about sixty feet of water off Newcastle.

I do not oppose this vote at all. It may be necessary. I pointed out, as reported in Hansard of 1922, 1923, 1924 and 1925, that if you are to apply a general policy of subsidizing

private wrecking plants in Quebec and British Columbia, and other aid from this department, that general policy should apply to the Great Lakes as well as the ocean and the gulf. If you read the returns of the Department of Marine and Fisheries you will realize what a great tonnage there is on the Great Lakes without any wrecking plant or aids to navigation, and yet sectional interests are allowed to interfere with the work of this department. There is a good deputy at the head of this department. The present minister, whom I met with a delegation of people on both sides of politics, received us courteously, and we were pleased with the reception we got. This policy should be extended to the Great Lakes, in view of the memorandum which has been laid before the government by the shipping interests on the Great Lakes and by the captains and mates who have to sail boats on those waters in season and out of season, in all kinds of weather, and who have to put up with the intolerable state of affairs on the lakes, such as lack of aids to navigation, lack of proper lighthouses, lack of proper wrecking plants and proper life-saving equipment.

We in the city of Toronto have to be a sort of Department of Marine and Fisheries for lake Ontario, the Niagara river, lake Erie, the Muskoka lakes and Georgian bay when our citizens go there in the summer time. If the government are to vote $2,500,000 along these lines there should be reciprocal treatment between the ports on the ocean and ports on the Great Lakes. I would support liberal expenditure for ocean shipping. We hear talk about Maritime rights and British Columbia rights, and nothing should be too good for these distant provinces; but when the port of Toronto, which contributes large sums to the Dominion treasury, has to spend its own money on aids to navigation, the Marine and Fisheries department should see that traffic on the Great Lakes gets a fair share of this vote. We ought to know what these wrecking plants do, what they cost, what dividends they pay, what insurance they have—in a word, what justification there is for this expenditure. I should think that in the course of five years the government would have been able to devise a policy of its own in this matter. I certainly must protest against the discrimination against the Great Lakes while maritime ports are being taken care of. The lake ports are becoming an important factor in transportation to-day and when we consider what the United States government is doing at Cleveland, Buffalo, Toledo, Detroit and elsewhere, we are astounded at the way in which navigation on the lakes on this side is being neglected. The United States government is doing everything it possibly can to aid navigation, in the provision of buoys, beacon lights, lighthouses and all other necessary equipment. It is small wonder that there has taken place in this country one of the biggest mergers we have ever seen.

I appeal to the minister to make a thorough survey of the situation on the Great Lakes. The matter was brought clearly to his attention in an elaborate memorandum submitted to him by the delegation which I had the honour to introduce, comprising representatives from various lake ports, who asked that the vote be extended to include provision for aid to navigation on the Great Lakes. I trust that the matter will receive the serious attention of the government.

Mr. McQUARRIE: What do the contracts call for?

Mr. CARDIN: Under the contract with the Quebec Salvage and Wrecking Company the steamer Lord Strathcona must be maintained in service, together with such plant as may be required, to the satisfaction of the department. The service extends from May 1 to December 1.

Mr. McQUARRIE: Just what has the steamer to do?

Mr. CARDIN: It is required to assist vessels in distress in any accident that occurs in the Gulf of St. Lawrence.

Mr. BOYS: Upon what basis is the subsidy granted? Does it depend upon the value of the plant or the number of wrecks?

Mr. CARDIN: The amount is arbitrary, and if the company is able to show a surplus it is supposed to divide it with the department.

Mr. BOYS: I notice that in one case the grant is $25,000 and in the other $10,000. Is the smaller amount given to British Columbia because they could get along with $10,000, while owing to disasters Quebec found it necessary to ask for $25,000?

Mr. CARDIN: Unfortunately I cannot give the details of the transaction. I was not in the department when it was entered into.

Mr. BOYS: I do not suppose the British Columbia company would refuse $25,000?

Mr. CARDIN: I am sure not, but they were satisfied with $10,000.

Mr. BOYS: Perhaps that was all they could get. But viewing the matter from a business standpoint there is palpably some reason for giving one concern $25,000 and the other $10,000. Possibly the distribution is based upon the number of wrecks, the amount of capital involved, or some other consideration. The minister has not explained this point.

10 p.m.

Mr. CARDIN: In British Columbia the company is free to operate the whole year round, and in that way is in a position to earn money in addition to the grant. In Quebec, on the other hand, they operate only during part of the year. This explains it in part. The investment is the same in both cases, but there is the difference in duration of earning capacity.

Mr. BOYS: What amount did British Columbia require—just the $10,000?

Mr. CARDIN: Ten thousand was satisfactory to them. They requested a renewal of the contract.

Mr. BOYS: Is it the same as the contract of last year?

Mr. CARDIN: The contract has been the same for ten years.

Mr. FOSTER: Has any other salvage company in Quebec applied to the government for a similar subsidy?

Mr. CARDIN: No, this is the only one.

Mr. ARMSTRONG (Lambton): How many wrecks have been removed on the lower St. Lawrence during the past two years?

Mr. CARDIN: This vote is not exactly to provide for the removal of wrecks; it is for assistance to be given to ships in distress.

Mr. ARMSTRONG (Lambton): Has the minister a statement of such aid given?

Mr. CARDIN: We have a statement, yes, although I have not given it in detail. The company has been called upon to render assistance in sixteen instances.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 10.03 p.m.

Monday, April 12, 1926

The House met at three o'clock.

CHIEF ELECTORAL OFFICER'S REPORT

Mr. SPEAKER: I have the honour to table, at the request of the Chief Electoral Officer, the statutory report on the fifteenth general election, this having been printed pursuant to the provisions of section 72, subsection 6, of the Dominion Elections Act.

MINISTER OF LABOUR

ELECTION CERTIFICATE

Mr. SPEAKER: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of the Hon. John Campbell Elliott for the electoral district of Middlesex West.

INTRODUCTION

Hon. John Campbell Elliott, Minister of Labour, member for the electoral district of Middlesex West, introduced by Right Hon. W. L. Mackenzie King and Hon. Ernest Lapointe.

PRINTING OF PARLIAMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That all papers laid on the table do stand referred to the joint committee on Printing for consideration for the purpose of reporting as to whether they are to be printed or not.

Mr. SPEAKER: Answering a question put to me sotto voce by the hon. member for South York (Mr. Maclean), who inquired what was the purpose of the motion that has just been moved by the right hon. the Prime Minister, I might explain that in the old days all the papers tabled were printed, and in consequence the volumes were very bulky and contained much useless printed matter. A committee of the House, when we were sitting in the Victoria Museum, decided that the committee on Printing should make a selection of the papers to be printed and determine what should and what should not be printed. That has been the practice now for the last six or seven years, and that is the purpose of the motion which has just been presented.

Motion agreed to.

CORNWALL POST OFFICE—PRIVATE BOXES

On the Orders of the Day:

Mr. C. J. HAMILTON (Stormont): I would ask the Acting Postmaster General why the price of the private boxes in the

Cornwall post office has been increased one hundred per cent without any notice being given to the boxholders?

Hon. ERNEST LAPOINTE (Acting Postmaster General): I really do not know. I would advise my hon. friend to put that question on the order paper, because it is certainly not of a nature which makes it proper to be asked on the orders of the day.

THE BUDGET

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Could the Minister of Finance give us the date for the announcement of the budget?

Hon. J. A. ROBB (Minister of Finance): I am glad my right hon. friend has asked that question, because I was going to say that on Thursday of this week I shall ask the unanimous consent of the House for the motion necessary to present the budget.

Mr. MEIGHEN: It will be presented Thursday?

Mr. ROBB: Yes.

TEST VOYAGE—LINER REGINA

On the Orders of the Day:

Hon. CHARLES A. DUNNING (Minister of Railways and Canals): On Friday last the hon. member for Westmorland (Mr. Price) addressed a question to me, on the orders of the day, with regard to the test voyage to Halifax of the liner Regina. I have caused inquiry to be made in regard to the matter by calling the attention of the management of the Canadian National Railways to the remarks of my hon. friend and the statement of the management is:

That instructions had previously been given to all concerned with the solicitation of export traffic to pay special attention to the test voyage of the Regina in order to secure all possible traffic for the return trip.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POST OFFICE BUILDINGS

Mr. CHAPLIN (Kent):

1. What towns in the province of Ontario with a population of 5,000 or less have post office buildings owned by the government of Canada?

2. What towns in the province of Ontario with a population of 5,000 or less have customs house buildings owned by the government of Canada?

Hon. Mr. LAPOINTE:

1.

Acton, Post Office and Customs.
Alexandria, Post Office and Customs.
Almonte, Post Office and Customs.
Amherstburg, Post Office and Customs.
Arnprior, Post Office and Customs.
Athens, Post Office.
Aurora, Post Office and Customs.
Aylmer, Post Office and Customs.
Bowmanville, Post Office and Customs.
Bracebridge, Post Office and Customs.
Brampton, Post Office and Customs.
Bridgeburg, Post Office and Customs.
Cardinal, Post Office.
Carleton Place, Post Office and Customs.
Cayuga, Post Office.
Chesley, Post Office.
Clinton, Post Office and Customs.
Deseronto, Post Office and Customs.
Dresden, Post Office.
Dundas, Post Office and Customs.
Eganville, Post Office.
Elmira, Post Office and Customs.
Elora, Post Office.
Essex, Post Office and Customs.
Exeter, Post Office.
Fergus, Post Office.
Gananoque, Post Office.
Glencoe, Post Office and Customs.
Goderich, Post Office and Customs.
Gravenhurst, Post Office.
Grimsby, Post Office and Customs.
Hanover, Post Office and Customs.
Harriston, Post Office.
Kemptville, Post Office.
Kincardine, Post Office and Customs.
Lakefield, Post Office.
Leamington, Post Office and Customs.
Listowell, Post Office and Customs.
Markham, Post Office.
Mildmay, Post Office.
Milverton, Post Office.
Milton, Post Office.
Mitchell, Post Office and Customs.
Napanee, Post Office and Customs.
Newmarket, Post Office and Customs.
Norwich, Post Office and Customs.
Orangeville, Post Office and Customs.
Palmerston, Post Office.
Paris, Post Office and Customs.
Parkhill, Post Office and Customs.
Petrolia, Post Office and Customs.
Picton, Post Office and Customs.
Port Colborne, Post Office.
Port Hope, Post Office and Customs.
Prescott, Post Office.
Renfrew, Post Office and Customs.
St. Marys, Post Office and Customs.
Sandwich, Post Office and Customs.
Seaforth, Post Office and Customs.
Shelburne, Post Office.
Simcoe, Post Office and Customs.
Strathroy, Post Office and Customs

Stouffville, Post Office.
Tilbury, Post Office and Customs.
Tilsonburg, Post Office and Customs.
Uxbridge, Post Office.
Walkerton, Post Office and Customs.
Whitby, Post Office and Customs.
Wingham, Post Office and Customs.
2.
Prescott, Ont., Customs House.
Gananoque, Ont., Customs House.
Pigeon River, Customs.
Port Lambton, Customs.
Walpole Island, Customs.

ROYAL CANADIAN MOUNTED POLICE—DRUG TRAFFIC

Hon. Mr. TOLMIE:

1. Was a commission issued to J. P. Smith, K.C., of Vancouver, to inquire into alleged improper and illegal handling of drugs by members of the R.C.M.P.?
2. Has the Minister of Justice received a report from J. P. Smith, and has such report been made public?
3. What names were submitted to the minister for appointment for commissioner?
4. Upon whose recommendation, or who was responsible for selecting J. P. Smith as commissioner?
5. Why was J. P. Smith selected in preference to the others?
6. Was not, in fact, J. P. Smith's appointment recommended by Mr. M. A. Macdonald, in Vancouver, and Mr. W. W. B. McInnes?
7. What official or other connection had J. P. Smith with the mounted police in the Yukon?
8. When did such official or other connection cease?
9. Was the minister aware of such official or other connection with the mounted police at the time of such appointment as commissioner?
10. What remuneration has been paid to J. P. Smith for his services as commissioner; also what amount for expenses?

Hon. Mr. LAPOINTE:

1. Yes.
2. Yes, the findings of the report have been made public.
3. Messrs. Craig, K.C., H. S. Wood, and J. P. Smith, K.C.
4. Mr. Smith was one of the three above named who were recommended by the Attorney General of British Columbia.
5. No particular reason.
6. No information.
7. None known.
8. Answered by No. 7.
9. Answered by No. 7.
10. As commissioner, $1,700, expenses $46.50, total, $1,746.50.

Hon. Mr. TOLMIE:

1. In what capacity was M. A. MacDonald acting in connection with Victoria proceedings against Eccles, Smith and Fernandez of the mounted police.
2. Was M. A. MacDonald instructed by the minister to demand a case stated from the presiding magistrate for appeal from the conviction against Eccles, Smith and Fernandez?

Hon. Mr. LAPOINTE:

1. To watch the proceedings and take such action as might be necessary or advisable in the interests of justice.
2. Not specially; but he acted within the scope of his general instructions.

Hon. Mr. TOLMIE:

1. What fees have been paid to M. A. MacDonald for services in connection with the Victoria proceedings against the mounted police, or for services in any other connection, either as agent for the Minister of Justice, or acting for the Attorney General of Canada, in connection with proceedings against members of the mounted police, and what amount for expenses?
2. What are the names of counsel employed by the Department of Justice to defend the mounted police against charges, both in connection with Victoria proceedings and commission proceedings?
3. What fees have been paid to each of these counsel; also what amounts for expenses?
4. Has any counsel fee been paid to F. A. McDairmid, counsel for Sergeant Munday, and if so, what amount; and what amount for expenses?
5. Has any counsel fee been paid to J. B. Pattullo, of Vancouver, and if so, what amount, and what amount for expenses?
6. In what capacity was J. B. Pattullo acting, and by whom retained?
7. Will the minister state in just what capacity Mr. E. P. Davis was acting?
8. Have counsel fees been paid to J. A. Russell, of Vancouver, counsel for Eccles and other members of the Mounted Police, and if so, what amount, and what amount (if any) for expenses?
9. Has a pardon been granted by the Governor General, from a conviction of Eccles, Fernandez and W. L. Smith, of the Mounted Police, in Victoria, and if so, when was it applied for, by whom, and upon whose recommendation was it granted?
10. When such pardon, as aforesaid, was granted, was there an appeal pending before the Supreme Court of British Columbia by way of stated case, at the request of the Attorney General of Canada?

Hon. Mr. LAPOINTE:

1. Victoria proceedings, fees $630.00; Expenses $76.45, total $706.45. Victoria proceedings Appeal Case, fees $617.00; expenses $45.00, total $662.00.
2. E. P. Davis, K.C., J. B. Pattullo, K.C. and M. A. Macdonald, K.C.,—the latter brought in temporarily owing to Mr. Pattullo's illness—were instructed to represent the Department of Justice generally to see that all relevant evidence was produced and to advocate the justice of the case, but they were not otherwise instructed to defend the mounted police.
3. Victoria proceedings:—

J. B. Pattullo—Fees $2,500; expenses and incidentals $265.14, total $2,765.14.

J. B. Pattullo (Victoria Agents) Fees $583.80, expenses $64.35, total $648.15.

M. A. Macdonald, fees $630.00; expenses $76.45, total $706.45.

M. A. Macdonald—Appeal Case—fees $617.00; expenses $45.00, total $662.00.

Commission proceedings:—

E. P. Davis, fees $2,748.62; expenses $61.00, total $2,809.62.

J. B. Pattullo—fees $1,500.00; expenses $39.67, total $1,539.67.

Note: In addition to the above, the following were employed by the defendants to protect their personal interest, namely: J. A. Russell, Vancouver, by Constable Smith; J. A. Russell and J. W. de B. Farris by Agent Eccles and Informant Fernandez; F. A. McDiarmid, Vancouver, by Staff Sergeant Mundy; John A. W. O'Neill, Vancouver, by Constable L. J. Black, and in view of the fact that the defendants were exonerated by the Commission of Inquiry, the accounts for such counsel were paid from public funds. (See answers to questions Nos. 4 below and 8).

4. Yes, fees $875.00; expenses $30.00, total $905.00.

5. Yes, see answer to No. 3 above.

6. At the Victoria proceedings, counsel for Department of Justice retained by Department of Health in the first instance, approved by Department of Justice. At the commission proceedings, for Department of Justice.

7. Leading Counsel for Department of Justice at the commission proceedings.

8. Yes, Victoria preceedings and stated case —fees $482.20; expenses $117.50; commission proceedings, fees $2,025.00; expenses $2.00; Eccles perjury case, fees, $952.03; expenses $37.20; Fernandez perjury case, fees, $904.69; expenses $57.05, total $4,577.67.

9. A free pardon was granted to each, Eccles, Fernandez and Smith. No application for pardon was made in any case. The pardons were granted upon the recommendation of the Minister of Justice.

10. Yes.

Hon. Mr. TOLMIE:

Was bail provided for Eccles, Smith and Fernandez in connection with any prosecutions at Victoria by the Department of Justice, or was any person directed to provide bail, and if so, who, and under what circumstances or assurances?

Hon. Mr. LAPOINTE:

Bail was not provided by the Department of Justice, neither was any person directed to provide bail when the defendants were arrested in the first instance. The men concerned arranged the bonds required between themselves and members of the force. During the hearing of the commission proceedings, however, Agent Eccles was arrested on a charge of perjury during the Victoria proceedings and bail set at $3,000. Eccles had difficulty in procuring bonds on that occasion, and the officer commanding in Vancouver considered Eccles should be protected and the Department of Justice instructed that so long as Eccles enjoyed the confidence of his superiors, the government should protect him to the extent of furnishing the necessary bail. The officer commanding the mounted police in Vancouver, therefore, instructed Inspector Shoebotham to arrange bail for Eccles in this particular case only. Sureties of $1,500 each were accepted from Inspector Shoebotham and Mr. M. C. Hill, of Vancouver.

Hon. Mr. TOLMIE:

1. Did the Minister of Justice and Prime Minister receive resolutions of protest from Vancouver and Victoria, as to the manner of conducting a commission of inquiry by J. P. Smith?

2. After the conviction of Eccles and W. L. Smith in Victoria, and during the time the Commission of Inquiry was sitting, were Eccles and Smith retained on the Force of the R. C. M. Police and receiving full pay?

3. If not, when did such salaries to Eccles and Smith cease?

Hon. Mr. LAPOINTE:

1. Yes.

2. Eccles and Smith's services were retained, but they did not receive full pay during the period mentioned.

3. Their pay was suspended on 3rd November, 1923, in both cases, and was not released until granted a free pardon. In the case of Smith, however, who was a married man with one child and had no other means of support except his pay, it was necessary to grant him a month's pay in arrears, at different times, on the recommendation of the officer commanding.

Hon. Mr. TOLMIE:

1. Are Eccles, J. P. (Doc.) Smith, W. L. Smith, Sergeant Brown and Sergeant Munday still in the pay of the mounted police?

2. In view of the serious charges against the above named persons, and which it is complained have not been properly investigated, does the Department of Justice intend to retain these individuals on the strength of the R.C.M.P.?

Hon. Mr. LAPOINTE:

1. No, with the exception of Sergeant Brown.

2. There were no charges preferred against Sergeant Brown. Sergeant Brown's services are being retained.

Hon. Mr. TOLMIE:

Does the government of Canada still believe there is any necessity for maintaining the R.C.M.P. in British Columbia, having regard to the fact that the Customs Service are able to deal with the narcotic problem on the water front; also having regard that this work is also covered by the drug squads of the Vancouver and Victoria city police; also by municipal police throughout the province, as well as the provincial police, which covers the whole province and has offices and large staffs in the principal cities of the province?

Hon. Mr. LAPOINTE:

Yes.

Hon. Mr. TOLMIE:

1. Has the minister received a petition on behalf of C. W. Monk convicted in Vancouver, 1923, for passing a sample of cocaine of 25 grains to one J. J. Schmit, a stool pigeon of Doc. Smith's of the mounted police, and if so, what action has been taken?

2. Is the minister aware that the said J. J. Smith has been twice convicted in British Columbia, for having in his possession a large quantity of liquor, illegally; also convicted for another offence in December 1923; also that the said Schmit was arrested by the mounted police with 30 ounces cocaine in his possession, and has not yet been prosecuted.

Hon. Mr. LAPOINTE:

1. Yes.

2. No to the first two parts of the question. Yes to the last part. (He was not prosecuted for the reason that he assisted the police in endeavouring to locate the source of supply.)

Hon. Mr. TOLMIE:

Has the Department of Justice ever extended a free pardon to any person convicted under the Opium and Narcotic Drug Act whilst an appeal was pending; if so, give particulars?

Hon. Mr. LAPOINTE:

A pardon was granted by the Governor General in the case of Wallace Layne Smith, Francis William Eccles and Frank Williams alias Fernandez. Following conviction by a police magistrate for a breach of the Opium and Narcotic Drug Act, an appeal was lodged on their behalf. The pardon was granted as subsequently an inquiry under due authority had disclosed that these three persons had not committed the offence of which they had been convicted.

Hon. Mr. TOLMIE:

1. One, Chei Sang, charged on the 17th July, 1923, in Vancouver city police court, with unlawfully having drugs in possession; witnesses for the prosecution being Constable Black and Sergeant Fripps of the Mounted Police. Case has been remanded from week to week up until February 1, 1924, and has not yet been proceeded with. Will the minister ascertain why this case was not prosecuted, and if it is a fact that the accused charged he had been supplied with drugs by Doc Smith and Black of the mounted police, in order to secure a conviction against Joe Qun?

2. Was J. A. Russell acting for the accused, Chei Sang, and did not J. A. Russell spirit this accused away, because the accused charged illegal handling of drugs by the mounted police?

3. Is it a fact that at some of these adjournments Sergeant Fripps asked for adjournments on behalf of Mr. J. A. Russell?

4. Is it a fact that Chei Sang left for China that middle of February, and has not been prosecuted, after his case having been adjourned for eight mnoths?

Hon. Mr. LAPOINTE:

1. This question is believed to refer to one Chui Sang, alias Chong Wong, Vancouver.

The case against this man was not proceeded with after a conference with the Department of Health, when it was decided to withdraw the charges. The accused was a boy of 19 years of age, and was returned to China on the S.S. "Philoctetes" on the 21st February, 1924. He was not a regular drug runner, but because the drugs found in his possession had been obtained from one Joe Qun, an effort was made by the Police to use this boy to return some of them to Joe Qun, in order to locate Qun, who was wanted for a former offence against the Opium and Narcotic Drug Act, and who could not be found.

2. J. A. Russell was acting for the accused, but the accused was not spirited away.

3. Mr. Russell was in attendance at the commission of inquiry during some of the hearing of this case, and adjournments were necessary on that account. (There is no information that Sergeant Fripps asked for these adjournments.)

Hon. Mr. TOLMIE:

Has the Minister of Justice received original Statutory Declarations (annexed to the petition of C. W. Monk), sworn to before Stipendiary Magistrate Alexander in Vancouver wherein it is charged that Frank Fernandez (alias Frank Williams), smuggled $20,000 of opium and narcotics into Vancouver (under the nose of C.R.P. Police) in the summer of 1920?

Hon. Mr. LAPOINTE: Yes.

Hon. Mr. TOLMIE:

1. Has the minister seen a report from Colonel Wroughton, Officer Commanding the R.C.M.P., in Vancouver, addressed to Ottawa, under date of January 4, 1922, wherein it is alleged that Frank Williams (Fernandez) and Frank Fernandazy (Frank Fernandez) are "the two biggest smugglers of drugs on the coast" and that Norman DeGraves of the Vancouver customs, and other customs officers are protecting Frank Williams (Fernandez) and if so, what action was taken by the department in regard to the charges against the customs officers?

2. Will the minister explain how it comes about that two months after it is reported by Colonel Wroughton that Frank Williams (Fernandez) was one of the biggest smugglers on the coast, that Williams (Fernandez) is already in the employ of the mounted police?

Hon. Mr. LAPOINTE:

1. There is no report of the date mentioned written by ex-Assistant Commissioner Wroughton, in which the words mentioned occur, but a report containing such information was received from a secret source at Vancouver and was forwarded by Col. Wroughton to headquarters, which information was transmitted to the preventive service of the Department of Customs.

2. Fernandez was never in the actual employ of the R.C.M. Police. He was an informer only.

Hon. Mr. TOLMIE:

Will the minister place on the table all reports received from the officer commanding the R.C.M.P. in Vancouver, addressed to Ottawa, re Opium and Narcotic Drug Act, from 1920 to 1924.

Hon. Mr. LAPOINTE: No, It would not be in the public interest to do so.

Hon. Mr. TOLMIE:

1. If Sergeant Jones has not been discharged, has Colonel Wroughton notified Jones that he will not be re-engaged, and, if so, for what reason?
2. How long has Sergeant Jones served in the R.C.M.P. force?
3. What is Sergeant Jones' record with the R.C.M.P.?
4. What other members of the R.C.M.P. (Victoria Detachment) have left the service, or been removed, or discharged. Give names, and reasons for discontinuance?

Hon. Mr. LAPOINTE:

1. Sergeant Jones was not discharged, but was refused re-engagement on account of (a) Disloyalty in the Rex vs Eccles et al case and Commission of Inquiry proceedings at Victoria and Vancouver. (b) For breaches of discipline.

2. Sixteen years, eighty-five days.

3. Although up to the arrest of Constable Smith, Agent Eccles and Informer Fernandez, the conduct of Staff Sergeant Jones was good, his conduct in connection with the proceedings against these men was such as to demonstrate his unsuitability for further employment in the force.

4. (a) Corporal H. F. Small.—This non-commissioned officer was transferred to Vancouver for duty, owing to the necessity of reducing the strength at Victoria and the need of economy. At the expiration of his period of service he took his discharge "time expired" at Vancouver.

(b) Corporal R. Harvey.—This non-commissioned officer was transferred to Vancouver for the same reason as Small. He was invalided from the force on 5th August 1924.

Hon. Mr. TOLMIE:

1. On what date and for what offence was J. J. Schmit arrested by the mounted police in Vancouver?
2. Was such arrest made by J. P. (Doc) Smith?
3. Was J. J. Schmit prosecuted, and if not, why not?
4. Was thirty ounces of cocaine, or any other amount, found in the possession of Schmit?
5. What disposition was made of this thirty ounces of cocaine?
6. Was J. J. Schmit afterwards used as an informer by the mounted police?
7. What remuneration did Schmit receive, and in what cases, and for how long a period was he employed by the mounted police?

Hon. Mr. LAPOINTE:

1. 10th September, 1922. For possession of drugs, and taken to the R.C.M.P. barracks there at Vancouver.

[Mr. Lapointe.]

2. Yes.

3. No, because the police decided to use him in locating a large cache of drugs which was believed to be in existence in Vancouver, and also to locate the men "higher up" who were supplying Schmit.

4. Yes, 30 ounces.

5. They were handed in to the court at Vancouver in connection with the prosecution of one W. C. Monk, who supplied the drugs to Schmit. The clerk of the court eventually advised Staff Sergeant Mundy that they had been forwarded to the Department of Health, Ottawa, direct.

6. Yes.

7. None to the first part of the question. It is not in the public interest to answer the second part.

Hon. Mr. TOLMIE:

1. Is the government aware that in his evidence before a commission, Doc Smith swore that he made a purchase of cocaine in the premises of J. J. Wing, on Broadway East, Vancouver, what disposition, or return was made of this cocaine?

Hon. Mr. LAPOINTE:

"Doc" Smith did not state he purchased said drugs. The words used by Smith were:—"We purchased one ounce of cocaine." The purchase was actually made by ex-Corporal McDowell and properly disposed of, and receipt obtained.

Hon. Mr. TOLMIE:

According to press report in Vancouver and Victoria, J. P. (Doc) Smith is to be removed to some other point, where "this excellent" officer's methods of enforcing the Opium and Narcotic Drug Act are not known? Is the minister aware that one of the methods used by Doc Smith, as a law enforcement officer, is to supply drugs to young people, with instructions to plant these drugs some place, so that Doc Smith can effect arrest?

Hon. Mr. LAPOINTE:

Answer to first part of the question:—J. P. (Doc) Smith is no longer in the employ of the R.C.M. Police.

Answer to second part of the question:—No.

Hon. Mr. TOLMIE:

1. Is the Minister of Justice aware that F. W. Eccles used to operate a high powered canoe in Vancouver harbour, and was suspended from the service for operating such canoe, because of a charge that he was using said canoe for illegal smuggling of drugs?
2. Is the minister aware that in connection with said canoe, Eccles is now facing a charge of perjury at the Victoria spring assizes?

Hon. Mr. LAPOINTE:

1. No. Such a charge against Eccles was made and investigated both by ex-Assistant Commissioner Wroughton and the commission

of inquiry, when Eccles was found to have acted in good faith. He was suspended because he had committed a fault in discipline in not having disclosed his plans, in advance, to his superiors to approach a ship in a small boat to obtain drugs to catch and arrest a Chinese dealer in drugs, and as a disciplinary measure Eccles was released from employment for a time.

2. No. Eccles was tried for perjury in connection with the said canoe at Nanaimo on 20th of May, 1924, before Mr. Justice W. A. MacDonald and Jury, and found "not guilty."

STRENGTH AND DUTIES OF MOUNTED POLICE IN BRITISH COLUMBIA

Hon. Mr. TOLMIE:

1. How many members of the R. C. M. P. are there in British Columbia, what are their names?
2. At what places are they stationed, and how many at each station?
3. What are their duties?
4. Are they supplied with horses?
5. What members of the force have motor cars?
6. Is any allowance provided in respect of motor cars, and what are particulars?
7. Are any members of the force provided with both horses and motor cars, or is any allowance made for the use of horses and motor cars? If so, what members and what are the particulars?

Hon. Mr. LAPOINTE:

1, 2 and 3. There are 94 members of the force in British Columbia, their names, distribution and duties being set forth below:

Name Duty

Superintendent A. W. Duffus—In command of B.C. District.

Inspector T. M. Shoebotham—Paymaster and Quartermaster, Vancouver.

Inspector R. Field—In command Fernie Sub-District.

Inspector A. E. Acland—In command Prince Rupert Sub-District.

Inspector J. M. Tupper—In command Victoria Island Sub-District.

Inspector R. L. Cadiz—In command Penticton Sub-District.

Inspector T. H. Irvine—Instructor at Vancouver.

Inspector T. V. S. Wunsch—Under orders for Northern B.C. Patrol.

Inspector A. E. G. O. Reames—In charge of C.I.B., Vancouver.

Inspector H. A. R. Gagnon—Assistant in C.I.B., Vancouver.

S.-Major Binning, G.—Sergeant Major "E" Division, Vancouver.

S.-Sergeant Walshaw, W.—In charge Esquimalt Detachment.

S.-Sergeant Watson, F. P.—Veterinary Staff-Sergeant, Vancouver.

Sergeant Cather, J. S.—Detective, Vancouver.

Sergeant Watts, A. F. C.—Orderly Room Clerk, Vancouver.

Sergeant Taylor, H. E.—In charge Prince George Detachment.

Sergeant Fripps, J.—Detective, Vancouver.

Sergeant Sampson, L. J.—Detective, Vancouver.

Sergeant Jebson, H. H.—Prince Rupert Detachment.

Sergeant Birch, A. G.—Penticton Detachment.

Sergeant Smith, W. D.—Farrier at Vancouver.

Sergeant Paton, J. R.—In charge Victoria Detachment.

Sergeant Butler, H. A.—Quartermaster Sergeant, Vancouver.

Sergeant Hanna, J. G.—Fernie Detachment.

Corporal Brice, T. C.—Telkwa Detachment

Corporal Jasper, W. T.—Duty, Vancouver.

Corporal Williams, H. J. E.—Detective, Vancouver.

Corporal Healy, J.—Detective, Vancouver.

Corporal Kilmer, R.—Esquimalt Detachment.

Corporal Harvey, H.—Plumber, etc., Vancouver.

Corporal Brooksbank, P.—Duty, Vancouver.

Corporal O'Reilly, J. R.—Sub-District clerk, Penticton.

Corporal Withers, W.—Division Storeman, Vancouver.

Corporal Emmerson, S. H.—Duty, Vancouver.

Corporal Culverhouse, F.—Detective, Fernie.

Corporal Stiven, B. S.—In charge Newgate Detachment.

Corporal Wilson, D.—In charge Cranbrook Detachment.

Corporal Crump, E.—In charge Kingsgate Detachment.

Constable Anderson, F. S.—Duty, Vancouver.

Constable O'Brien, A. H. Detective, Vancouver.

Constable Bolous, W.—Esquimalt Detachment.

Constable Berger, M. T.—Telkwa Detachment.

Constable Black, L. J.—Detective, Vancouver.

Constable Barriball, J. E.—Victoria Detachment.

Constable Bryson, F. G.—Penticton Detachment.

Constable Badham, B. F.—Duty, Vancouver.
Constable Clarke, E. H.—Victoria Detachment.
Trumpeter Carcoux, J. H.—Trumpeter, Vancouver.
Constable Currie, A.—Esquimalt Detachment.
Constable Collins, D. M.—Esquimalt Detachment.
Constable Dolley, J. L.—Assistant engineer, Vancouver.
Constable Dery, P. E.—Motor truck driver, Vancouver.
Constable Eaton-Richards, D. J. A.—On leave.
Constable Foster, M. F.—Chauffeur, Vancouver.
Constable Floyd, S.—Detective, Vancouver.
Constable Fenton, F. H.—Prince George Detachment.
Constable Gervin, R. K.—Duty, Vancouver.
Constable Gunn, A. E.—Fernie Detachment.
Constable Hinton, W. W.—Sanitary Orderly, Vancouver.
Constable Horsfield, R. E.—Esquimalt Detachment.
Constable Parson, G. R.—Esquimalt Detachment.
Constable Carstairs, W.—In charge Field Detachment.
Constable Labelle, H. O.—Esquimalt Detachment.
Constable Lonsdale, F. C.—Victoria Detachment.
Constable Lawton, S. C.—Fernie Detachment.
Constable Lloyd, E. W.—Duty, Vancouver.
Constable McAskill, D. A.—Victoria Detachment.
Constable Murray, B. U.—Head teamster, Vancouver.
Constable McGibbon, D. L.—Detective Vancouver.
Constable Nevill, H. W.—Duty, Vancouver.
Constable Prior, B. G.—Motor truck driver, Vancouver.
Constable Rhead, H.—Duty, Vancouver.
Constable Smith, G.—Quartermaster Storeman.
Constable Scrogg, T. G.—Telkwa Detachment.
Constable Savoie, J. P. A.—Duty, Vancouver.
Constable Smith, P. B.—Esquimalt Detachment.
Constable Stafford, R.—Esquimalt Detachment.
Constable Stanyar, R. A.—Duty, Vancouver.
Constable Tarr, F. E.—Sub-District clerk, Prince Rupert.
Constable Thornton, C. A.—Duty, Vancouver.
Constable Urquhart, W.—In charge Radium Hot Springs Detachment.
Constable Vidito, D. G.—Painter, Vancouver.
Constable Wall, G. M.—Duty, Vancouver.
Constable Winget, T. T.—Fernie Detachment.
Constable Woodcock, F.—Esquimalt Detachment.
S.-Constable Clarke, E. C.—Assistant Cook Division Mess, Vancouver.
S.-Constable Ferris, F. C.—General Duty, Vancouver.
S.-Constable Heald, W. B.—Stenographer, Vancouver.
S.-Constable Hovey, D. N.—Chief Cook, Division Mess, Vancouver.
S.-Constable Hughes, D.—Engineer, Vancouver.
S.-Constable McMeekin, J.—Cook, Officers' Mess, Vancouver.
S.-Constable Rawlings, F. S.—Cook, Esquimalt Detachment.
S.-Constable Uglow, E.—General Duty, Esquimalt.
S.-Constable Young, J.—Tailor, Vancouver.

NOTES.—(1) The duties at Esquimalt largely consist in guarding H.M.C. naval dockyard.

(2) The duties at Victotria largely consist in giving police protection to Receiver General's office.

(3) Men at Vancouver and on detachment elsewhere enforce all federal laws, patrol Indian reserves and such other duties as may be required.

The numbers at each point are as follows:

Place	Number
Detectives in city of Vancouver	11
Stationed at Shaughnessy Heights, Fairmont Barracks, Vancouver	42
Victoria	5
Esquimalt	13
Penticton	4
Prince Rupert	3
Prince George	2
Telkwa	3
Field	1
Radium Hot Springs	1
Fernie	6
Newgate	1
Cranbrook	1
Kingsgate	1
Total	94

4. Yes. The whole strength in British Columbia is supplied with a total of 60 horses for general duty.

5. No individual member of the force is supplied with a motor car. There are three motor cars, two motorcycles, and two motor trucks distributed throughout the province for general duty.

6. No.

7. Answered by Nos. 4 and 5.

COLONEL WROUGHTON—APPLICATION FOR PENSION

Hon. Mr. TOLMIE:

1. Has an application been received by the Department of Justice from Colonel Wroughton, Officer Commanding the R.C.M.P. in Vancouver, for a pension; or has an application been received by the department or does the department contemplate giving a pension to Colonel Wroughton, and if so, upon whose recommendation, and what is the date of application?

Hon. Mr. LAPOINTE:

Yes. Ex-Assistant Commissioner Wroughton applied by letter of March 17, 1924, to be retired to pension, which was granted (granted six months' leave from May 1, 1924, and retired to pension 1st November, 1924, by order in council 5th of May, 1924).

LIGHTKEEPER AT TORBAY POINT, N.S.

Mr. CANTLEY:

1. Was George Schrader, lightkeeper at Torbay Point, Guysborough County, N.S., dismissed from his position? If so, when, and for what cause?

2. Was any investigation made as to George Shrader's conduct or capacity as lightkeeper prior to his dismissal, and by whom?

Hon. Mr. CARDIN:

1. No.

2. See answer to No. 1.

IMPORTATIONS OF COAL—REBATE

Mr. MACDOUGALL:

1. What amount of rebate was paid by the federal government during 1925, on coal imported by proprietors of by-products coke ovens: (a) in Montreal, (b) in Hamilton?

2. What amount was rebated by the federal government during 1925, on coal imported for use in connection with iron and steel industry in Canada: (a) in Hamilton, (b) in Sudbury, (c) in Montreal?

3. What amount of coal was imported during the year 1925 for use in the iron and steel industry of Canada?

Hon. Mr. BOIVIN:

1. (a) Nil; (b) $66,595.44.

2. (a) $149,697; (b) Sault Ste. Marie—$183,566.95. (Sudbury—Nil); (c) Nil.

3. Information not available.

REPARATION CLAIMS

Mr. BLACK (Halifax):

1. On what date was Germany notified by or on behalf of Canada that the provisions of article 296 and the annex thereto should apply as between Germany on the one hand and Canada on the other providing that there should be settled through the intervention of clearing offices, to be established within three months of such notification, the various classes of pecuniary obligations?

2. How much money has been paid out to residents of Canada by the Department of the Secretary of State as the result of claims made under those categories?

3. How much of said total amount was paid out as the result of: (a) Admissions by the Debtor Clearing office; (b) Judgments of the Anglo-German Mixed Arbitral Tribunal, sitting in London, England?

4. How much money has been paid out to residents of Canada by the Department of the Secretary of State of Canada as the result of claims made under Article 297 (e), and as the result of claims made under paragraph 4 of said annex?

5. How much of said total amount was paid out as the result of: (a) Admissions by the Debtor Clearing Office; (b) Judgments and Awards of the Mixed Arbitral Tribunal and Arbitrator?

6. Out of what fund has the first description of claims been paid, namely, those under Part X of the Treaty, Economic Clauses, Section III, Debts, Article 296?

7. Out of what fund has the second description of claims been paid, namely, those under Part X of the Treaty, Economic Clauses, Section IV, Property, Rights and Interests, Article 297?

8. Who is the Custodian of the fund?

9. Who is the Deputy-Custodian of the fund?

10. How much money has been paid out to residents of Canada by the Department of the Secretary of State of Canada as the result of claims made under Part VIII of the Treaty, Reparation, Section I, Article 232, and Annex I?

11. Is it the duty of the Canadian Reparation Commissioner to investigate and report upon all claims which may be submitted to him for the purpose of determining whether they are within the ten categories above mentioned, and the fair amount of such claims?

12. To whom is the said report required to be made?

13. On what date will it be completed?

14. Has Canada been paying only the two first classes of claims?

15. How much remains of the fund out of which these two classes of claims have been paid?

16. What is the total of claims outstanding in these first two classes?

17. After all these claims in the first two classes, namely, those under Part X, Economic Clauses, Section III, Debts, and Section IV, Property, Rights and Interests, have been settled, is Canada entitled to hold and credit to Germany on account of the third class of claims, Part VIII, Reparation, Section I, and Annex I, the balance of the fund out of which she has been paying the first two classes of claims?

18. How much money has Canada received directly on account of Reparation, under the "Dawes Plan"?

19. How much is Canada entitled to receive under the "Dawes Plan"?

20. Over what period and in how many instalments will Canada's share of the "Dawes money" be received?

21. Will Canada waive any national claim she has, as the United States has done, and pay the money received on account of reparation, to all of her citizens who have presented their claims under Part VIII, Reparation, Section I, Article 232, and Annex I thereto, and had them assessed by the Canadian Reparation Commissioner?

22. Will the balance of the "Enemy Property Fund," as well as the "Dawes money," be used to compensate the civilian population of Canada whose claims are

held by the Canadian Reparation Commissioner to be within the ten categories of Annex I, to Section I, of Part VIII, Reparation?

23. Or will the balance of the "Enemy Property Fund" be held, as the United States "Enemy Property Fund" is being held, as security for the receipt of payment of reparation under the "Dawes Plan"?

Hon. Mr. LAPOINTE:

1. A clearing office between Germany and Canada was not set up under the provisions of Article 296 and the Annex thereto; but a local clearing office as provided by paragraph 1 of the said Annex was arranged for, the clearing with Germany being carried on through the Central Clearing Office established in London under the provisions of the treaty. No notice under paragraph 1 of the aforesaid Annex was given by Canada.

2. $5,459,495.00.

3. (a) $5,420,321.28.
(b) $39,173.72.

4. $3,089,131.27.

5. (a) $1,467,680.82.
(b) $1,621,450.45.

6. A fund created out of the proceeds of the liquidation of German property, rights and interests in Canada and the collection of debts owing by Canadian debtors.

7. See answer to question 6.

8. Under the treaty of Peace (Germany) Order

" 'The Custodian' means, in respect of the time prior to the date of this order, the Minister of Finance and Receiver General, and from the date of this order means the Secretary of State of Canada, who shall be the successor as Custodian of the Minister of Finance and Receiver General, and to whom all property, rights and interests heretofore vested in the Custodian are hereby transferred."

9. The Under-Secretary of State.

10. No payment has been made.

11. The investigations and reports to be made by the late the Hon. Dr. Pugsley and Mr. Friel, K.C., are set out in the orders in council appointing them under the provisions of the Inquiries Act as follows:—

Order in Council 165 of the 13th March, 1923.

"To investigate and report upon all claims submitted for the purpose of determining whether they are within the categories above referred to, in the First Annex to Section 1 of Part VIII of the said Treaty, and the fair amount of such claims, and to make such findings as may be of assistance to the government in determining which, if any, of such claims should be paid, and the extent of payment thereof."

Order in Council 938 of the 19th June, 1925.

"That a considerable number of investigations with respect to outstanding claims still remain to be made and it appears desirable that a commissioner should be appointed to continue and complete the investigations made by the late commissioner."

[Mr. W. A. Black.]

12. To the Governor General in Council.

13. It is hoped that the report will be completed in the fall of this year.

14. Yes.

15. $10,030,239.91.

16. (a) $629,380.00 plus interest at 5 per cent per annum as set out in the treaty. (b) $166,767.14 plus any compensation awarded by the mixed Arbitral Tribunal. Total, $796,147.14.

17. The method of applying the proceeds of the liquidation of German property is set out in paragraph 4 of the Annex to Part X, Section IV of the treaty of Versailles, (Property, Rights and Interests), as follows:

"All property, rights and interests of German nationals within the territory of any allied or associated power and the net proceeds of their sale, liquidation or other dealing therewith may be shared by that allied or associated power in the first place with payment of amounts due in respect of claims by the nationals of that allied or associated power with regard to their property, rights and interests, including companies and associations in which they are interested, in German territory, or debts owing to them by German nationals, and with payment of claims growing out of acts committed by the German government or by any German authorities since July 31, 1914, and before that allied or associated power entered into the war. The amount of such claims may be assessed by an arbitrator appointed by Mr. Gustav Ador, if he is willing, or if no such appointment is made by him, by an arbitrator appointed by the Mixed Arbitral Tribunal provided for in Section VI. 'They may be charged in the second place with payment of the amounts due in respect of claims by the nationals of such allied or associated power with regard to their property rights, and interests in the territory of other enemy powers, in so far as those claims are otherwise unsatisfied.' "

and Article 243, as follows:

"The following shall be reckoned as credits to Germany in respect of her reparation obligations:—
(a) Any final balance in favour of Germany under Section V (Alsace-Lorraine) of Part III (Political Clauses for Europe) and Sections III and IV of Part X (Economic Clauses) of the present Treaty."

18. £482,906.13.0.

19. At the Imperial conference of 1921, it was arranged that Canada should receive 4.35 per cent of the amount received by the United Kingdom by way of reparation under the various treaties of Peace. The amount payable for reparation by Germany was fixed at the Spa Conference of Allied representatives at 132 millard gold marks, and of this amount 22 per cent was apportioned to the United Kingdom.

20. The Dawes report does not provide what amount has to be paid neither does it provide the length of time over which payments have to be made.

21. Any moneys received by Canada on account of reparation under the Dawes plan

have been paid into the consolidated revenue fund, and future payments must so be paid, unless otherwise directed. No claim can be made by Canadian nationals under the provisions of the various treaties with respect to the losses within the provisions of Annex I following Article 244. The claims referred to in Part VIII, Section I of the Treaty of Versailles and the annex thereto relate to the claim which Canada has against Germany, and the claims therein referred to provide the measure of such compensation. If Canadian nationals are paid with respect to their losses aforesaid such payments must be made as the parliament of Canada may direct.

22. The balance on hand from the proceeds of liquidation of enemy property, if it is decided that Canada should retain and liquidate former enemy private property, as well as payments received under the Dawes Plan, must be paid into the consolidated revenue, and may be used as parliament directs.

23. Answered by question No. 22.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PURCHASE OF MOTOR CARS BY GOVERNMENT

Mr. FOURNIER:

1. What number of motor cars were purchased by the government from January 1, 1912, to January 1, 1922, and subsequently used by members of the government?

2. How many cars were in the Mechanical Transport branch on January 1, 1922, and being used by members of the government?

3. What was the date of purchase of each car, and its purchase price?

4. What was the cost of maintenance of the said cars during the year 1921 in (a) wages of employees; (b) cost of repairs and (c) quantity of gasoline used by each?

5. How many of these cars were of American manufacture?

APPOINTMENT OF COMMISSIONS

Mr. HANSON:

1. How many commissions have been appointed by the government since January, 1922?

2. What subjects were investigated by such commissions?

3. What was the respective cost of each commission: (a) in salaries or emolument, (b) in expenses?

4. Who composed each commission?

UNOPPOSED MOTIONS FOR PAPERS

WAR CLAIMS

Mr. NICHOLSON:

For a copy of all Orders in Council, letters, telegrams or other documents between the government of Canada or any department official or appointee thereof, and parties presenting claims of any character whatsoever incurred or presumed to have been incurred during and as a result of the Great war, 1914 to 1918, or the clearing offices in Germany and Austria, and falling under any of the articles of the treaty of Peace and more particularly under Articles, 296, 297, 298, 299, 300, 301, 302, 303 and the annexes or general provisions relating thereto.

Mr. NICHOLSON: Dropped.

CHANGE OF POSTMISTRESS AT KEY JUNCTION ONT.

Mr. ANDERSON, Halton (for Mr. Arthurs):

For a copy of all correspondence, letters, telegrams, reports or communications regarding a recent change of postmistress at Key Junction, Ontario.

WEIR LICENSE AT CASTALIA, N.B.

Mr. GRIMMER:

For a copy of all correspondence exchanged between the Department of Marine and Fisheries or any official thereof and any person or persons, respecting the refusal to grant a weir license to Hartford Boynton of Castalia, Grand Manan, New Brunswick, and of any and all reports relating thereto.

MARITIME RIGHTS

AGREEMENTS AND UNDERSTANDINGS RESPECTING FREIGHT TRAFFIC AND RATES

Mr. W. A. BLACK (Halifax):

That, in the opinion of this House, good faith should be kept with the Maritime provinces and other interested parts of the Dominion in regard to the recorded assurances and undertakings of governments and parliament and the agreements set out in the statutes of the Dominion respecting the routing of Canadian trade over Canadian territory and through Canadian ports, and, that freight rates over the Intercolonial railway be adjusted in accordance with the understanding of confederation.

He said: In moving this resolution I do not desire to weary the House by repeating what I have said in former sessions. At the same time there are a large number of new members in this parliament who are not familiar, perhaps, with the history of confederation as established in 1867, with the statements of leading public men before and since confederation, or with the agreements and enactments of parliament dealing with the Maritime provinces. This resolution takes us back to the representations of the Fathers of Confederation made to the Maritime provinces, also to the assurances and pledges of representative men, and to parliamentary enactments and agreements extending back for the past fifty years or more. In confirmation of that statement let me quote first from the speeches of Fathers of Confederation. The following are the words of the Hon. Geo. Brown, spoken at Halifax on September 12, 1864:

But far in advance of all other advantages would be this: That union of all the provinces would break down all trade barriers between us and throw open at once to all a combined market of four millions of people. You in the east would send us your fish

and your coals and your West India produce, while we would send you in return the flour and the grain and the meats you now buy in Boston and New York.

Sir George Etienne Cartier said at a banquet at Halifax on the same date, September 12, 1864:

Canada has population and territory sufficient to make a great nation in course of time. But she wants what the lower provinces possess, an outlet to the sea. As the lower provinces now stand they are comparatively weak and powerless, and the wealth, labour and industry which Canada possesses go in a great measure to enrich such cities as New York, Boston and Portland. This must continue to be the case until the Intercolonial railway, of which we have ever been an advocate, shall be built, and as soon as the colonies are confederated the construction of that work will undoubtedly commence.

Again at a later date in Montreal, October 28, he is reported as saying:

I must repeat to you what I stated while in the lower provinces, that while we possessed the personal and the territorial elements which go to constitute a nation, we were wanting in the maritime element. During six months of the year we had to knock at the door of our neighbour in order to carry on our trade. This cannot be tolerated. This confederation must be carried out. With our prosperity we are enriching the American states, whereas we ought to be enriching our own states. We ought to be enriching such harbours as St. John and Halifax.

Sir John A. Macdonald was not silent. On the same occasion he said:

I don't hesitate to say that with respect to the Intercolonial railway it is understood by the people of Canada—

That is Ontario and Quebec; they were called Canada at that time, I believe.

—that it can only be built as a means of political union for the colonies. It cannot be denied that the railway, as a commercial enterprise, would be of comparatively little commercial advantage to the people of Canada. Whilst we have the St. Lawrence in summer and the America ports in time of peace, we have all that is requisite for our purposes. We recognize, however, the fact that peace may not always exist and that we must have some other means of outlet if we do not wish to be cut off from the ocean for some months in the year. We wish to feel greater security—to know that we can have assistance readily in the hour of danger. In the case of a union this railway must be a national work, and Canada will cheerfully contribute.

These leaders of thought in the political arena must have realized that the trade of the Maritimes, then closely identified with the markets of New York, other large American cities and the New England states, would be transferred almost wholly to the markets of western Canada, and with this in view they provided the means of transportation, namely the Intercolonial railway.

My first visit to the west was by steamer from Halifax to Portland; thence by the Grand Trunk railway to Montreal. The building of the Intercolonial was intended to change this. It may be said that the Intercolonial was built and the intended terms of confederation fulfilled. My answer to that is: The line was built and its rightful terminus should be the city of Montreal. It has been chopped off at Riviere du Loup. It is maimed and a profitable section is thrown into the region known as the central. The Intercolonial railway has lost its identity in the National Railway system, and is subjected to prohibitive freight rates, and has therefore ceased to be a developer of trade from the Maritimes to the central provinces. The Intercolonial railway was to be a national highway westwardly for the Maritime provinces. It is prevented from performing its national mission. The way is blocked by prohibitive freight rates. The building of the Intercolonial is in vain, if its primary and vital purposes be defeated. They are defeated as I have stated. Would there be anything unreasonable in asking that the Intercolonial be operated on the same basis as the canals of Ontario and Quebec.

Now, Mr. Speaker, passing over the utterances of many other public men, I come to the time when the building by the government of the day of a transcontinental railway was before parliament. The Maritimes were even then not forgotten. They were promised direct benefit from this proposal. What was that advantage to be? Listen to what the Hon. W. S. Fielding said in this House in 1903. That gentleman was a representative of the province of Nova Scotia in the government of that day. He said:

With this road built, instead of being dependent on the Canadian Pacific railway only, St. John will have two strings to its bow. Not a pound of traffic that goes to St. John now will be taken away, and St. John will stand its chance of getting a fair share of the new traffic to be created by this road. Halifax with its peerless harbour will have advantages which it has not hitherto enjoyed. Surely, Sir, the time has come after years of deception, humbugging and trickery about the lines to the Maritime provinces, that faith should be kept with these people, and they should have a through line running on Canadian territory from ocean to ocean.

On the same occasion, July 30, 1903, what did Sir Wilfrid Laurier say? The then leader of the government used these words:

Now, Sir, we lay it down as a principle, on which we are to be judged by friend and foe, that we are to have a transcontinental railway, and that its terminus must be in Canadian waters, and that the whole line, every inch of it, must be in Canadian territory. We say further, that such a line is a necessity to our commercial independence.

Sir Wilfrid Laurier said further:

Now, there is another feature of this contract to which I shall call the attention of the House. If we have gone into this contract, our intention has been, as stated in the preamble to force traffic in Cana-

dian channels and through Canadian waters. We have made it a special condition of the contract and this condition is expressed in section 42, as follows:

"It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of the railways, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada be carried entirely on Canadian territory or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ports."

This principle is further emphasized by the paragraph following, No. 43, which says:

The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those provided above, but shall in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely the development of trade through Canadian ocean ports and Canadian channels.

What has been done by governments during the past twenty-two years to carry out these enactments of parliament, or to keep faith in regard to the contracts entered into by government and ratified by parliament? The situation in the Maritimes gives the answer.

The foregoing contracts were made in 1903. We come to the year 1911. What happened then? The Canadian Northern Ontario Railway, which was part of the Mackenzie and Mann project, sought assistance from the government, and this aid was given under the following condition—I quote from a clause in the agreement:

It is hereby declared that the aid herein provided for is granted by the government for the express purpose of encouraging the transportation of goods through Canadian channels.

In the year 1914 further aid to the extent of $45,000,000 was granted and the principle laid down in the contracts of 1903 and 1911 was reaffirmed in most unmistakable and emphatic language.

There can be no question about the meaning of the clauses in the contracts which I have quoted, nor does any other clause throw doubt on their meaning. What has been done to carry out its terms? The late Senator Fowler, in 1904, while he was a member of the House of Commons, moved an amendment to strengthen the contract of 1903 in the interest of the Maritimes. This amendment Mr. Fielding on behalf of the government refused to accept and in refusing, he used these words:

The government said that they would put in words that would serve the purpose better, and they would put them, not in the charter, but in the contract, and that would bind the company to these terms. So we put in the contract the section which has been printed in the press, declaring in explicit terms that the company accepts the aid given them by the government on the condition that it is the object and purpose to promote trade through Canadian channels and through Canadian ports.

What further did the Hon. Mr. Fielding say? His words were that the government of the day intended to build the Transcontinental railway so that the products of western Canada would without fail flow uninterruptedly over an all-Canadian line to the ports of Halifax and St. John. Has this materialized? Has anything been done to carry out these pledges? The Hon. R. W. Scott, leader of the government in the Senate, when speaking on the question on October 12, 1903, used these words:

Therefore, it is to our interest if we are going to develop our Maritime ports, if we are going to have that grain go east through Halifax and ports along the St. Lawrence, to do something in order to induce it to go there.

This is a clipping from, I think, the Montreal Gazette, or at least one of the Montreal papers of the other day. Premier Taschereau said:

I believe every Canadian, whether he be in British Columbia, or Quebec, or Ontario, should join with the Maritime provinces to give them what is necessary for them to live and thrive. They need cheap transportation. That perhaps was not the letter of the confederation pact, but it certainly was the spirit when the Intercolonial railway was built. Speaking as a Canadian, as a citizen of the province of Quebec, I have no hesitation in saying that it is the duty of those who govern Canada to-day to see that this important part of Canada (the Maritimes) is looked after and is satisfied.

I do not wish to take up the time of the House discussing the figures showing Nova Scotia's contribution to national railways and canals, nor do I touch upon the burden borne by Nova Scotia in providing railways and canals, none of which touches Nova Scotia. These are the pledges of the government confirmed and enacted by parliament, providing a national policy which was to have been carried out, but which, unfortunately for the Maritimes, has not been put into force. The national railway policy is defined, the government has its instructions from parliament, and not only should know what to do, but should do it. It should put the policy, so unmistakably defined, into operation and not attempt to side-track the issue by reference of the Maritime situation to a royal commission, as is suggested in the Speech from the Throne. We of the Maritimes protest most strongly and emphatically against any action by this government, such

as reference to a royal commission or otherwise, that will have a tendency to delay the full consideration and equitable readjustment of the Martimes' just claims beyond the present session of parliament. We shall be ready at all times to co-operate in any investigation that may be held with the bona fide intention of discovering or elaborating these injustices, but we insist that prompt and definite action must be taken at the present session and that a declaration of policy in regard to these matters be made by the government indicating that the government is prepared to give belated justice to the Maritime provinces. It is the duty of the government to assume the responsibility and to deal with the problem themselves at this session of parliament. Only a few days ago a minister of the crown said:

I have always considered that the people's wishes could best be expressed by the voice of their representatives in parliament.

Those are the words of the Minister of Customs and Excise (Mr. Boivin) in March last as reported on page 1600 of Hansard. The representatives of the Maritime provinces are expressing the wishes of our people and we unanimously demand that they be carried out.

I have some interesting statements to reveal to the House in connection with the Martime situation as it relates to the Intercolonial railway. In 1921 the Halifax Herald, one of the most enterprising papers in the Dominion of Canada, asked this question of all candidates nominated for election in December of that year:

Realizing importance of campaign which our newspaper has consistently supported for restoration of Maritime rights with C.N.R. by establishment of eastern unit, with headquarters at Moncton in charge of Maritime trained men, we would apprecite if you would favour us with a brief, definite statement of your attitude on the question.

This is the answer of the present Minister of National Defence (Mr. Macdonald): I quote only his answer and that of the representative of Prince county, P.E.I. (Mr. MacLean), they being members of this House representing Maritime province constituencies. The Minister of National Defence replied:

For the past year and a half I have consistently urged that the only method to enable the industries of the Maritime provinces to be carried on with any degree of success would be by detaching the Intercolonial altogether from the C.N.R. and G.T.R. connections, and running and operating it as it was operated for forty years under the terms of confederation. We would thus be freed from the taxation which is now imposed upon the patrons of the road for the purpose of paying the interest upon the enormous debts contracted by the C.N.R. in its construction in western Canada. The control of the Intercolonial must be taken from Toronto and vested in Moncton, where it always was, and the railway should be officered by men in sympathy with Maritime interests and Maritime rights.

The hon. member for Prince (Mr. MacLean) said:

I have advocated on every platform during the campaign that the Maritime provinces should, under the terms of confederation, have special consideration and special treatment; that the railroad was given, not as a dividend earning road but that our products should be transported to the markets of the world at a reasonable rate, and any deficits on the road should be cheerfully born by the federal government. I have made strong plea for the establishment of an eastern unit with office at Moncton, with a practical man in charge who understands conditions, and that freights should not favour western Canada as at present, as we pay the same rate to St. John and Sydney as Montreal pays. They call it the people's railroad but over here we are taxed for it.

What, may I ask, has the hon. member for Antigonish-Guysborough (Mr. Macdonald) done to carry out his ideas as expressed in his message to the Halifax Herald? Surely he did not hesitate for lack of support, backed as he was by every member from Nova Scotia, sixteen in number. He has not had to wait for demands from that province that good faith be kept. Has he made representation to the government of the requirements of his province, and been over-ruled by his colleagues? What has he, the representative in the government of Nova Scotia, done?

His utterances and his promises have fallen to the winds. He could not go back to his own native constituency, but sought another where he was not so well known.

Our Maritime members are not here to sit silent and inactive as regards our provinces, as was the case during the last parliament; we are making our demands and will press them to the utmost.

Now, Mr. Speaker, I desire to set forth some of the matters to which we call the earnest attention of this government. I ask them to drop commissions and, so to speak, get down to business. Parliament has given them instructions; we ask the government to obey the instructions. I might summarize some of the matters which I feel sure are in the minds of the people of the Maritime provinces, in respect to which they believe they have grievances and for the redress of which grievances they feel that there should be practical action on the part of the government and parliament. Before doing so I may say that underlying the slumbering dissatisfaction which has existed in those provinces for a long time, and which was marked by the ballot box demonstrations of the people in June and October of last year, there is the growing conviction that the Maritimes have been

treated by governments and parliaments as minor and unimportant partners in confederation, whom it was safe to neglect, whose interests might be sidetracked, and whose requests for fair play might be postponed.

The election results to which I referred a moment ago clearly show that the patience of the Maritime people is exhausted; that they are now standing for their rights within the Dominion as full partners of the confederation, and that they will not be turned aside nor satisfied by empty promises, even of a royal commission. They ask government and parliament to deal, as they are in duty bound to deal, with Maritime interests, and to give those provinces a like measure of consideration as it meted out to the other provinces without the intervention of royal commissions.

The summary I have in mind, and which I do not say wholly covers the ground, might be briefly stated as follows:

(a) That the integrity of the Intercolonial railway be restored with its western terminus at Montreal;

(b) That the service of that railway be what it was built for and intended to be when confederation was consummated—the connecting business link of the Maritimes with the central and other provinces;

(c) That freight rates on the Intercolonial and other government lines east of Montreal be adjusted to carry out these purposes in good faith; to enable products to flow from the Maritime provinces to those other provinces, and thus contribute to the development of industry in the Maritimes;

(d) That good faith be kept by the observance of agreements, statutes and publicly given pledges in respect to the National Transcontinental railway which was to develop Canadian business, and force it, if necessary, through Canadian channels and Canadian ports;

(e) That Maritime ports be satisfactorily equipped for export and import business, and particularly that ample cold storage accommodation be provided at the port of Halifax, as a part of the equipment of the National Railways;

(f) That the agricultural, manufacturing and coal mining industries of the provinces, in common with the rest of Canada, be given tariff protection sufficient to safeguard enterprises of the people against unfair competition from mass production, cheap labour and depressed currency in other parts of the world, and preserve home markets for home producers;

(g) That the Maritimes be put on a level with other provinces in the matter of the immigration and colonization enterprises of the government. In this matter the Maritimes have been ignored for many years;

(h) That in the readjustment of terms with other provinces in relation to public lands, and other natural resources restored or added to those other provinces as the case may be, the rights of the Maritimes be recognized, and justice be done.

I have outlined somewhat fully the basis of the claims for the Maritimes, which I hope will be taken up and discussed more extensively by other hon. members.

Mr. YOUNG (Weyburn): Will the hon. gentleman permit a question? Has he any figures as to what reduction would have to be made in freight rates in order to induce western grain to flow through the Maritime ports?

Mr. HANSON: I may tell the hon. member that the rates to St. John and Halifax are exactly the same as the rates to Portland and Boston.

Mr. YOUNG (Weyburn): I was just asking what reduction the hon. member considered necessary.

Mr. MURRAY MacLAREN (St. John-Albert): Mr. Speaker, I rise to second the resolution which has just been so admirably presented by the senior member for Halifax (Mr. Black). I wish, first of all, to state a principle. An essential principle to the life of the Dominion is that trade in Canada should be across the Dominion from east to west and from west to east, over Canadian rails and through Canadian ports. That is a principle which was affirmed at the time of confederation. It has been repeatedly stated in this House every year since confederation, but I feel that notwithstanding this repetition it is more necessary than ever that I should assert that principle in this House to-day. So much has been said, so much has been done and so little accomplished that I may well emphasize this principle of our Canadian Federation. The need of carrying it out is now more apparent and much greater than it ever was in years gone by. Therefore let me ask hon. members to keep in mind that vital principle lying at the basis of our dominion life as I have endeavored to express it.

Now, what has been done towards giving effect to this great principle? Much has been done. The Intercolonial has been built in accordance with the British North America Act, and later the Transcontinental and the Canadian Northern were constructed. These

two railways have cost the country hundreds of millions of dollars. Why were they built, and why did the country go to such enormous expense to assist in their construction? The reasons are set out in the acts that my colleague from Halifax (Mr. Black) has already brought to the attention of the house. They were the acts of 1903 and 1914—one passed by a Liberal government, the other by a Conservative government. Surely, under these circumstances this government can rise to the occasion and accomplish what our predecessors undertook to do in the most solemn way. These acts would never have been passed by parliament had they not contained the principles which I am trying to advocate at the present moment, for they laid down the reasons for granting assistance and exacted from the two railways certain undertakings in return for that assistance. I need not set those undertakings out in detail, they have been brought to the attention of the House many times; briefly, these railways bound themselves to do all they could to further Canadian trade and as little as they could to assist competing trade.

I should like to supplement the statement in just two particulars. In reference to tonnage, in the act of 1903 there is embodied an agreement that the Grand Trunk Pacific will furnish, both on the Atlantic and on the Pacific, all necessary tonnage to meet the demands of the country. Further, in the act of 1914 there is a very stringent provision with regard to the routing of freight by the Canadian Northern Railway. It is not a matter of choice with shippers or with the railroad but it is laid down that all freight for overseas, carried by the Canadian Northern, shall proceed over Canadian rails and through Canadian ports.

Of course, we all know that these railways have been taken over by the government and now form part of our Canadian National railway system. Consequently the board of directors has become responsible as successor for the obligations and agreements contained in the legislation of 1903 and 1914 on the part of those who then represented the Transcontinental and Canadian Northern railways Can we imagine anything otherwise? Is it to be suggested for a moment that the government or parliament would not proceed to honor the undertakings that they demanded and obtained from the railway managements of those days in return for the financial assistance then granted? We know that the legislation embodying those undertakings would never have passed parliament if it had been considered that they were worthless. Therefore I submit that as successors to the companies that entered into those agreements, the board of directors of the Canadian National railways is legally responsible to honour them. Whether the House agrees with me on that point or not, surely it will be admitted that the good faith of parliament is at stake to see that the provisions embodied in those acts are duly observed.

Now, what has happened? Let me bring to the attention of the House what Sir Henry Thornton, the chairman of the board of directors of the Canadian National railways, stated in public. Dealing with rates and the encouragement of Canadian trade, he said: This high policy must be with the government and with parliament. He and his directors regard the Canadian National railway system as separate and distinct from the rest of our national organizations, and as such they are operating it. But that system is not to be so treated, for it is an integral portion of the life of this country and indeed of its very existence. Surely neither the House nor the country would wish the Canadian National railway system to be managed without due regard to the interests of the nation as a whole. Our national railways form an essential portion of our national fabric and as such must be managed; that is, with due regard to the interests of the whole country, whether the system is apparently paying or not. Far greater questions than railway deficits or surpluses arise in this connection. I believe that greater financial success would result to the Dominion generally from operating our national railways from a truly national standpoint than in an endeavour to secure an operating surplus railroading—as is now being done—two thirds of our grain to foreign ports, and forty per cent of our total export traffic overseas over American rails and through American ports.

A few days ago, when this matter of rates was being considered by the railway commission, especially in relation to the Transcontinental, a reduction of freight rates was vigorously opposed—by whom do you think? By the Canadian National railway management. That does not look as if the board of directors of our national system was trying to carry out the principles embodied in the legislation to which I have referred. Those principles are not being observed in our transportation, and one can come to no other conclusion than that we cannot depend on the Canadian National railway board to give effect to those principles. I do not altogether blame the management for their action. I think they are trying to do their best to operate the system as they think it should be

operated, but while they entertain their present views of what is essential in railway operation, there seems to be no prospect whatever of the principles laid down in the acts of 1903 and 1914 being translated into practice.

Now what remains? I submit that only one thing remains under these circumstances, and that is for the government of the country to step in and deal with this matter, which is essentially a governmental matter. It is a matter of high policy; it is a matter on which the welfare of this country depends, and one which is causing a great deal of unrest at the present time. I trust the government will not allow these troubles to seethe and grow, but will exercise that great responsibility which is placed in the hands of a government, and that is to formulate policies and carry them out. But the government have formulated no policy. I have heard and seen nothing they have enunciated as to this problem. What have they done? They say that they are placing these questions in the hands of a royal commission to make a finding, and in that way they hope to meet the situation. Mr. Speaker, I cannot agree with that view. On no occasion, in the history of this parliament has the Maritime situation been so frequently presented to the House as during this session, and I am not aware of any member of this House having asked for such a commission. It is true that the government does not require to consult the members as such, but, on the other hand, when there is here a large number of men who are deeply interested in this question, men who have been sent here by the people to present their views, surely it would be in order to look for some other way of meeting this situation in the beginning.

I do not say, Mr. Speaker, that a royal commission can be of no use in such a matter. I can conceive that it could be useful if necessary in determining points at issue, once the principle and policy have been determined by the government, but I do not see how it is possible for a commission to deal with the various questions that certainly will be presented to them if they now proceed to function. I and many others have been sent to this parliament to press this subject as forcibly as we can. There is only one body that I can look to, and that is this parliament and this government, and I would urge the government, and I feel fully warranted in doing so, to announce its policy on this matter, so that if we are going to have the royal commission it will have a chance to perform a useful function. Surely it is the function of a government to express its policy in broad terms, especially on such a question as this, which is a broad Canadian national question. That surely is the function of a government, and we look to the government to exercise that function. It will not do to pass the question along to a commission, however highly the government may regard it, when it is a question that should be determined by the representatives of the people in this House, namely, by the government of the country. We wish, especially those of us coming from the section of the country that is particularly concerned in this resolution, that an early announcement be made by the government—now, not in the future. Is a prompt decision not warranted by the history of this question, which has been before parliament after parliament, and has been pressed particularly before the present parliament? Is there anything new about it? Surely the government has had sufficient time to ponder deeply this matter and to be in a position to state what their views are.

Mr. Speaker, the trade that is passing from our country, going past our doors, so much to the loss of many parts of the country, some parts suffering more than others but all bearing the loss, is producing a very deep discontent in the country, and the people are not prepared to submit to any such policy as that from which we are now suffering. Surely it must be for the welfare of the country, and for the happiness and contentment of its people who are interested in the honourable carrying out of the country's commitments that we shall during this session hear from the Prime Minister as to what line he proposes to follow. May I, in conclusion, say to all the members of this House, who have heard this question stated and restated so many times, that I trust it will be possible to-day on this subject, which is no new subject at all, to be able to come to a vote endorsing the terms of the resolution as proposed by the senior member for Halifax (Mr. Black).

Mr. ROBERT K. SMITH (Cumberland): Mr. Speaker, it is not my intention to detain the House at any length in the few remarks I have to make on the resolution as proposed by the senior member for Halifax (Mr. Black). I do wish to say, however, at the outset, that the hon. member for Halifax is to be heartily congratulated on having brought this matter to the attention of this House on various occasions. It is regrettable that in the past the House has not seen fit to deal with this very important question as

it should have been dealt with, and I do feel that had any measure of consideration been given in the past to the subject matter of this very important resolution, we would not be struggling as hard as we are to-day in the Maritime provinces under the burdens which are pressing so heavily on our shoulders.

The resolution I think can be very briefly considered under a few headings, and the first heading that I would like to suggest for the consideration of the House is the non-political aspect of this question. We lay no blame at the door of any political party in particular for the non-fulfilment of the pledges of confederation, of pre-confederation, and of parliamentary commitments after confederation, but we do lay blame on all political parties in Canada for the non-fulfilment of these pledges. Bearing in mind that both political parties in this country are committed to the subject embodied in this important resolution, I think we can very happily approach the question in the spirit of a non-political atmosphere. In that way I feel I am perfectly within bounds in appealing to every hon. member and to every party represented in this House to consider this resolution purely from the non-political aspect and not from the attitude of political partisanship.

The second heading to which I would like to allude is the national character of the features embodied in the resolution. It is quite true that the Maritime provinces are specifically mentioned, but a broader aspect is also embodied in the resolution, and that has reference to the east and west trade in this Dominion. We cannot hope to develop trade in Canada by adhering strictly, as we have done in the past, to a policy of trade routing north and south. That has been to the detriment of certain portions of this Dominion. If that policy continues in force the billions of dollars that have been expended by the people of Canada to develop our railway system, to develop terminal ports and, in a transportation sense, to feed every portion of the Dominion will have gone for naught, will have been virtually lost. Unless we go back to the policy for which these railroads were constructed, go back to the pre-confederation promises, go back to the promises of the Fathers of Confederation and the parliamentary commitments of the past, then these colossal expenditures will not accomplish the object for which they were intended. So that we can very properly appeal for support for this movement on the ground of the large national question which is involved, divorced from any sectional feature.

[Mr. Smith.]

The movement is national in its scope. Unless we develop east and west trade in Canada then the benefits will not accrue to the country which have been anticipated, promised and expected.

The third aspect of this question to which I wish to devote my attention is the financial one. It may be stated, no doubt it will be, that if the terms of the resolution are carried out in their entirety it will involve a burden that will weigh somewhat heavily upon the taxpayers of this country. Admitting for the sake of argument that some financial sacrifice to the rest of the Dominion will be involved if this policy is carried out, will it not in the end prove a benefit to the whole of the Dominion in the development of a larger volume of trade, in directing the railways to the project and to the development of the business for which they were inaugurated? If we create the anticipated volume of trade, if we bring shipping and tonnage to our terminal ports, and all our railway lines are fed with traffic from the east and west instead of following the north and south policy, it seems to me that will more than compensate us for any little sacrifice entailed by whatever contribution Canada makes for this undertaking. If we have to consider national questions purely from the standpoint of dollars and cents it seems to me that we cannot possibly hope to build up a united and satisfied country. Let me illustrate what I mean by this. Suppose we send our children to the schools of the United States to be educated because those schools happened to be cheaper than our own schools. If we did that we would not be following the policy inaugurated by our forefathers neither would we be observing British or Canadian traditions. We might get our children educated more cheaply, but they would be taught the Yankeeism of the schools across the border, they would be robbed of the privilege of being educated in British institutions—in a word such a thing would be opposed to the best British and Canadian traditions. It might be cheaper to do such a thing, but we do not pursue such a course and we are not going to do so for any such reason. The same can be said with respect to products and goods produced in Canada. We might buy all our goods in the United States or in some other foreign country because it might be cheaper to do so; but I do not think the Canadian people will ever support a policy of that kind because it would not tend to build up this country of which we are so proud, it would not develop Canada as a nation within the British Empire, but would have the very reverse effect. So it seems to me that if we are ever to build up Canada

we must not approach such questions as this purely from the standpoint of dollars and cents; we must study and follow the national aspect of a question like this with a clear vision which will enable us to look into the future.

Another heading upon which I intended to speak, but which has been dealt with ably by the senior member for Halifax (Mr. Black) was the question of the promises of pre-confederation and confederation times with respect to the building of the Intercolonial railway. The hon. member has already quoted to you the remarks made in 1864 by some of the Fathers of Confederation. He has read to you some of the parliamentary commitments embodied in the statutes. He has cited remarks made by leaders of both political parties in this country. It seems to me that it would be fruitless to pursue that argument further because it is acknowledged by all that the real intention of the building of the Intercolonial primarily has not been carried out. The real purpose of the Intercolonial was to connect the markets of the Maritime provinces with the markets of central Canada but this purpose has never been fulfilled. In this connection I may be permitted to quote from a speech made in 1922 by the Minister of National Defence (Mr. Macdonald), and I may say that I am in hearty accord with the expressions to which he gave utterance on that occasion. He brought the subject up for the purpose of showing the difficulties under which we in the eastern portion of the Dominion laboured with respect to our freight rates, and he gave utterance to certain remarks which will be found at page 3570 of revised Hansard of 1922. The hon. minister said:

> Let me give you some illustrations of the increases that were put into effect in the eastern part of Canada as pointed out by the representatives of these provincial governments before the committee. The rate on lumber was increased 90 per cent. The rate on pulpwood was increased 95 per cent, and on fruit 65 per cent. The rate on potatoes was increased from 75 to 100 per cent, varying according to the distances which they were carried. Coal rates were increased from 80 to 138 per cent.

Then the minister gave the case of Springhill mines, 188 miles from Bathurst:

> Industries in Bathurst,—

He stated.

> —find it possible to buy coal in Norfolk, West Virginia, and have it carried through the north Atlantic and gulf of St. Lawrence to Bathurst and discharged at less cost for transportation than would be the case if they obtained it from Springhill.

The minister went on to say:

> Then, the increase in the rates on wire nails was from 80 to 111 per cent. The rates on sugar, which the Maritime provinces are specially qualified to handle on account of their proximity to the West Indies, were increased nearly 300 per cent.

Turning to cotton duck products he said:

> In the constituency of the hon. member for Yarmouth (Mr. Hatfield) the cotton duck industry has been carried on for many years; the increase in the freight rates on the products of that industry has been 280 per cent. The result is that it has been practically impossible to carry on their business in other parts of Canada.

It will be seen that we have been loaded down with an increase of freight rates, and it is no wonder that there is commercial stagnation in the Maritime provinces to-day. The situation must be met and dealt with by this parliament. There is no other authority in the land, that I know of, that can deal with this very important matter. I say this particularly on account of what transpired at a recent hearing by the railway commission at Moncton. An application was made for a reduction in the freight rates on products of the Maritime provinces, and what do we find? In the first instance, the counsel of the Canadian National Railways came before the railway commission contending that the Intercolonial railway was not built for the purpose of conveying the products of the Maritime provinces to the markets of central and western Canada, but contending, in opposition to the views expressed by the senior member for Halifax (Mr. Black), who has quoted the expressions of the Fathers of Confederation and others, that the road was built for the purpose of conveying the products of central Canada and other portions of the Dominion to the Maritime provinces. The argument of counsel for the Canadian National before the railway commission was that we were to provide markets in the Maritime provinces for the central and western portions of Canada by the construction of the Intercolonal which is absolutely absurd and opposed to all statements bearing upon confederation both before and after the event. Not only that, but at this same meeting of the commission in Moncton, one of the traffic agents of the Atlantic region of the Canadian National Railways argued that no reduction could be made in freight rates in the Atlantic region of the Canadian National because there was a deficit in that region. Now, Mr. Speaker, we expected a deficit on that portion of the road. After they cut off the old Intercolonial at Riviere du Loup, instead of extending it to Montreal, we expected there would be a deficit, for the very sane and logical reason that they cut off the paying and largest producing portion, and gave us the section that was not so productive. So that it is not at all surprising to us in the Maritime provinces that we have a deficit on the Atlantic region of the Canadian National Railways.

These were the reasons given by them why we should not be granted lower freight rates.

I desire to repeat what I said at the outset that I think this matter should be approached in a national way and from a non-political standpoint, and I think if it is considered in that manner it will be treated as an all-Canadian subject worthy of the consideration of all hon. members in this House.

Mr. C. H. CAHAN (St. Lawrence-St. George): My only excuse, Mr. Speaker, for trespassing on the time of the House for the purpose of discussing this question is that I was born and bred in the Maritime provinces, and I have always maintained a personal and intimate association with the province in which I was born. I do not intend to review the pre-confederation compact, because that is well known. I do not intend to praise or blame either of the successive administrations, because in my personal opinion they have each and all failed in originating and carrying into action an effective policy for the preservation of the industrial and commercial interests of the Maritime provinces and consolidating the political union which was framed in 1867.

I passed through one secession campaign in Nova Scotia, and I hope we will never see another. It is utterly unnecessary that there should be such a conflict of opinion and interest between any one of the Maritime provinces and the other provinces of the Dominion as to form any reasonable basis for a repeal campaign such as the one we went through in 1886 and 1887. But it does seem to me that the reference of a number of these matters to the commission recently appointed cannot result in any effective and satisfactory solution of these problems, unless the principles upon which that commission is to proceed are clearly determined and announced by the government of the day. I know that the right hon. leader of the government (Mr. Mackenzie King) must have as earnest a desire as any hon. member in this House to secure a fair and reasonable solution of these problems. Time and time again he has gone to the Maritime provinces and announced openly, and I believe sincerely, that he had a deep interest in the solution of the problems which confront these provinces. I give him credit for that, and I believe he has the same sincere and earnest desire to-day. Admitting that I would suggest to him, how can this commission recently appointed proceed without having a pre-determination of the problems which are presented to them? Are we going to have a kindergarten entertainment and take six or eight months in order to present the problems to the gentleman who will probably be chairman of that commission, and who is, I think, a very estimable man? But it will be a kindergarten entertainment before he can become thoroughly acquainted with the conditions, economic, transportation, commercial, industrial and otherwise, which confront these provinces, and especially Nova Scotia. Before that commission can proceed earnestly and efficiently to do its work, we must have a declaration on the part of the government in regard to the problems to be dealt with, and when I say the government I mean parliament as well, because any declaration of the government must be upheld by parliament to prove effective. Therefore we must have a clear declaration by the government and parliament upon the great industrial problem of conserving the iron and coal interests of those provinces. That is a tariff question, and it seems to me utterly useless to relegate that question to a commission, until the policy of the government and parliament is clearly enunciated in respect thereto.

Every hon. member who has lived through the history of confederation and taken part in it, as many in this House have, knows that it has been the policy of both parties to develop our commerce east and west, and on each and every occasion that the question of developing eastern and western traffic has arisen we have had pronouncements by the leaders of the Liberal party as well as by the Conservative leaders that they regarded it as the bounden duty and obligation of parliament to encourage by every means, the transfer of Canadian freight and Canadian products through Canadian ports. No clearer enunciation of that policy could possibly be given than that contained in the Grand Trunk Pacific agreement dealing with the traffic over the Transcontinental railway, laid before this House in the session of 1903. I would desire to refer to section 42 and other relevant sections which were incorporated in that agreement. They were so highly approved by the Right Hon. W. S. Fielding who then held an eminent position in the government of that day, so heartily endorsed by the Right Hon. Sir Wilfrid Laurier, the leader of the government of that day, that a tremendous impression was made upon the people of the Maritime provinces and they felt that whatever lapses might have occurred in the past, from that time forward the government and parliament of Canada would, in the exercise of their wisdom, inaugurate such measures, industrial, commercial, traffic,

trade, transportation, as to ensure that the traffic of the west would be carried through Maritime province ports. Section 42 of that agreement, which is found as an addenda or an appendix to chapter 71 of the acts of parliament of 1903, states:

> 42. It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid under these conditions, and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

There are a number of other sections of that agreement which carry out exactly the same intention. Before this question of freight rates can even be examined effectively by the Board of Railway Commissioners, we must have a clear declaration binding on them by the government and parliament of this country as to the policy of parliament with respect to the freight rate which may be inaugurated. First, is there to be one freight rate structure for the whole of Canada and binding the whole of the Canadian National Railways, or is there to be, as there was prior to a few years ago, a distinctive and independent freight rate structure over the lines from Montreal east, which prior to that date were fixed and from time to time changed and modified for the express purpose of building up provincial trade between the ports of St. John, Halifax, Sydney and Montreal? That issue is one that cannot be settled under present conditions by the Board of Railway Commissioners, nor is it a question that can be effectively investigated and reported upon by the new commission recently appointed, until it is predetermined what is the policy of this government and parliament with respect thereto. That is one point upon which there must be a clear understanding.

We have the further question which is very interesting to the Maritime provinces, and that is as to the conditions under which the Transcontinental line will be operated from Prince Rupert to the port of Quebec and from the port of Quebec to Moncton, its terminus in the Martime provinces. That line, built at such a great expense, upon which the hopes of all the people of Canada rested at the time, a project that was received with enthusiasm from one end of Canada to the other, an enthusiasm due largely to the earnest and, I believe, sincere advocacy of Sir Wilfrid Laurier—that line, built across the continent on the lowest grade of any transcontinental line in North America, is lying practically idle because the government and parliament of the day have never determined the conditions under which it shall be operated, what will be the rate structure for freights over it, or whether it will be used to carry grain to the port of Quebec and to build up a second ocean port there. The traffic of this country in a few years will be quite sufficient for Quebec as well as for Montreal. Shall it be operated across the bridge and down through New Brunswick for the purpose of building up Canadian ports during the winter? Is it possible for the government to announce its policy with respect to that? That policy must be clearly determined before we can hope to secure any satisfactory results either from the Board of Railway Commissioners or from the new commission which has been recently appointed to inquire into conditions which prevail in the Maritime provinces.

There are other questions. I do not wish to go beyond the purport of this resolution, but if I might be allowed I should like to make a criticism and an altogether friendly one because this question is one that commands the most earnest attention, the most patriotic endeavour of both sides of this House. It is not a question which should be put forward for any mere partisan purpose. It is a question as regards which, even if the government should fail to propound a solution entirely satisfactory to me, I am free to say I would approve, help and assist in every possible way to carry out their policy when clearly announced so far as it is possible to carry it out. I do not therefore, approach this question in a partisan manner, but I cannot agree that the appointment of this new commission is adequate to the needs under present conditions. I know some people suggest that this is simply to postpone consideration of these vital questions, to relieve the government at the moment of its obligations in laying down a policy. But I do not wish to approach it on that basis, and therefore I say that on a number of these problems which have been referred to this commission, it is very necessary that the government and parliament of the day should pronounce before this question is submitted to a commission for further investigation and report. For instance, the order in council deals with certain complaints:

> That the interests of the Maritime provinces have suffered as a result of certain legislative and administrative measures adopted from time to time by successive parliaments and governments of Canada.

That undoubtedly is true; I think both parties are responsible for the past. Then again:

Such representations relate more particularly to the alleged failure to use Canadian ports for Canadian trade to the extent to which they might be utilized.

I have already made some comments with regard to that. Then with regard to the schedules of rates chargeable for the carriage of goods on the railways, I have already commented upon that question. Then reference is made to:

The manner of administering that part of the Canadian National Railway system which was formerly known as the Intercolonial railway.

That has been discussed by hon. members who preceded me, to which I have added a few comments. But each and all of these issues, which are placed before the commission recently appointed for their consideration cannot, it seems to me, be thoroughly and satisfactorily investigated, and certainly no report reasonably effective and helpful can be made until the government and parliament of this country, who have the supreme power and authority in all domestic matters, have enunciated the policy of the government and parliament with respect thereto.

Then further representations are referred to which have been made with respect to the effects of the customs, immigration and other economic policies adopted by successive governments. That clearly involves an investigation into the tariff policy of this country. With regard to that point, my personal opinion is that the composition of that board is not what it should be, if it is the intention of the government that there should be a thoroughly effective investigation into the matter of tariff policies as they affect the Maritime provinces.

I know something of the history of the chairman of the board, and I know something of his views; he was brought up under conditions entirely different from those obtaining in the Maritime provinces. One of the other members is a judge of the county court, a college friend of mine and also of the Minister of National Defence (Mr. Macdonald); a man whose integrity, honesty and honour cannot be impugned, but who I think is entirely deficient in that knowledge and experience in practical matters which would enable him to render the most effective assistance to the government as a member of that commission. With regard to the other gentleman, who came originally from Prince Edward Island, he is also somewhat lacking in practical knowledge and experience. I, at least, would have wished very much to see one thoroughly practical business man from the Maritime provinces on that commission.

[Mr. Cahan.]

I do not desire to trespass on the time of the House, Mr. Speaker, but I wish to gain a clear view of this Maritime question, in order that no further discussion may be necessary on my part. Another matter referred to the commission is that of certain financial measures, and the disposition or allotment to the provinces of public lands. The right hon. Prime Minister is well aware that in the representations made to previous governments and to this government, the contention on the part of the Maritime provinces has been that if the lands of the northwest, which have been administered as part of the Northwest Territories, were re-conveyed and re-transferred to the provinces which have now been created out of a part of those territories, some compensation should be given to the provinces on the Atlantic seabord, because of their interest in those lands. That contention was originally based upon the fact that in 1869 when the government of Canada purchased Prince Rupert's Land from the Hudson's Bay Company, and paid £300,000 sterling for it, which became a charge on the federal treasury, and it has been the contention of those provinces by the sea that they had an interest in and should receive some consideration from the sale of those lands, because it was impossible to annex a part of that territory to any of the Maritime provinces, as a large part was annexed to Quebec and a very considerable portion to Ontario. It now seems inconceivable to me that that issue could properly be inquired into or any reasonable, effective and efficient report made upon it until the government and parliament—and when I speak of the government I am simply speaking of them as the leaders in this House, and those to whom we look for initiative—have announced clearly as to what is their policy. That is a purely political question, and I think we will probably be able to discuss it at greater length when the Alberta bill comes up. Before it can be relegated for investigation to this commission, that commission must be guided and directed by the announced policy of the government and parliament with respect thereto.

Then we deal with the whole economic policy, in a further part of this reference. I presume some facts may be elicited, but I doubt whether very many additional facts will be brought out by the inquiry before the commission, beyond what is generally known by members on both sides of this House. Then certain representations or memorials which have been presented in times past by the government of Nova Scotia, and others which I understand, in the con-

templation of the order in council, are now in course of preparation for presentation to this government, are to be relegated to this commission of inquiry. With respect to those representations I have always contended—although perhaps I am not in accord with hon. members from the Maritime provinces—that provincial governments should restrict their operations to their own spheres of legislation and administration, within the terms of the British North America Act. We all know that members of the local legislatures are not elected on tariff questions, and have no duties or responsibilities with respect thereto. We know that they are not elected because they are deemed qualified to deal with those subjects, and it seems to me that it is far better that in this inquiry there should be a clear distinction and separation between those matters in which the provincial governments, in acting within their own administrative spheres, may properly be represented, and those other matters dealing with fiscal policies and economic questions coming within the purview of this parliament. With respect to these other matters I do not think any member of this parliament should abrogate his rights and duties and responsibilities; I think parliament must decide. I do not wish to say this in any unpleasant way, nor do I wish to be considered dictatorial, but I believe in a crisis for the Maritime provinces such as this, one should express his clear opinion. I think that with respect to these issues which are within the purview and the legislative and administrative authority of this parliament and this government, members of this House must press the government for a clear and distinct decision upon such issues of national policy, before a complete reference is made to this commission for investigation and report thereon.

Take the question of the northwest lands, I can understand that if parliament so declares those lands should be transferred to the respective provinces. To-day we have Alberta applying for such a transfer, and we know that there is a similar desire on the part of Saskatchewan if proper conditions can be agreed upon. If parliament decides to transfer those lands to the three provinces of the middle west—and I am not at present criticizing such transfer, I am not at present opposing it in any way—then parliament must decide whether compensation shall be given to the three Maritime provinces and the basis on which that compensation shall be computed. Once the policy of parliament is declared, in my opinion the amount of compensation is a proper matter to refer to a board of arbitrators or a commission or some other independent tribunal where all the evidence may be given in detail. But what I object to is that before there is any announcement of policy on the part of the government and of parliament all these issues should be placed before a commission of three men, who in my opinion are no more competent to deal with them than almost any three men who might be selected haphazard from one side of this House or the other. But if there is a clear declaration as to the policy of the government, if we can agree upon these terms, then it may be very effective and satisfactory to relegate any questions of detail to such a commission for inquiry and report. All I can say to the right hon. leader of the government and his colleagues is that, born and bred as I was in that province, having spoken in times past I am sure on every village platform from one end of Nova Scotia to the other in the secession campaign, and knowing something of the feeling of the people—I kept my summer home there until five years ago, when I had to give it up—it is in my opinion a question that we should not approach in any partisan spirit whatever, and so far as I am concerned and from what I have gathered in talking with a number of members on this side of the House, we are all willing and anxious to meet the government more than half way, we are anxious to take the question out of partisan politics if possible, and we are anxious to reach a fair and reasonable understanding with those provinces, and so, if possible, conserve their present commercial and industrial interests and place them heartily in accord, politically and patriotically, with the other provinces of this Dominion.

5 p.m.

Mr. CAMPBELL: Before the hon. member sits down I should like to ask him if he is prepared to advocate a reduction of the Transcontinental rates to the city of Quebec, to which he has referred.

Mr. CAHAN: If any concrete problem is placed before me I usually form an opinion about it; but I have been engaged as a lawyer sometimes in the consideration of rate structures, and I regard myself personally as incompetent to deal with any specific rate. My own feeling is, after having had some experience simply as counsel in the courts and before the railway commission, that our present rate structure is equally as important to the industry and commerce of this country as the protective tariff—and every one knows I regard that as very essential—but on the

other hand I think it has grown up somewhat haphazard. I think the hon. member for Pictou (Mr. Cantley) the other day pointed out some of the difficulties under which that great industry at New Glasgow is labouring and that these rates have grown up haphazard, because sometimes one large industry had a special pull with respect to one district, and another a special pull with regard to some other district. During one of the war years a very prominent Halifax merchant came to me to know if I could do anything to secure a change in the freight rates on the Intercolonial railway. He alleged—I did not investigate his statement and therefore cannot vouch for its truth—that having brought molasses from the West Indies, and not having a suitable place for storing it at Halifax, he desired to tranship it to Truro, some 63 miles from Halifax, yet he found that it was cheaper for him to send the whole cargo to Montreal and back to Truro than direct from Halifax to Truro for distribution there. Naturally he was anxious to make Truro, which as you all know is a railway centre, his point of distribution. Such glaring discrepancies no longer exist, I believe; but when the hon. member for Pictou announced the other day, as I understood him, that fifty years ago he could carry the products of his great industry from New Glasgow to Halifax much cheaper by ox-teams than he can to-day by rail, I think this is a matter that deserves most careful consideration.

Mr. BEAUBIEN: I have enjoyed the hon. gentleman's address very much and should like to ask him a question. He made what to me was a very interesting statement, that our Maritime provinces policy should be enunciated by parliament and referred to the royal commission. May I ask: Would not parliament be in a better position to formulate a policy to relieve the situation there after studying the recommendations of a commission that had made a thorough investigation?

Mr. CAHAN: I do not think so. I believe the right hon. leader of this government has a clearer mind to-day than he will have after the report of the commission as to what he believes to be the proper lines of policy to be adopted by the government and by parliament. I do not think one single fact can be brought out by this commission which is not already well known by the Minister of Defence (Mr. Macdonald) at his left, and certainly by at least ten or twelve gentlemen who sit on this side of the House.

[Mr. Cahan.]

Hon. E. M. MACDONALD (Minister of National Defence): Mr. Speaker, this discussion has taken a very wide range, and I think the House is to be congratulated upon the manner in which hon. gentlemen who have spoken, have addressed themselves to the subject. As a Maritime province man, deeply interested in their advance and progress, I feel that in order to obtain the best results it is the duty of parliament to approach the consideration of this question as far as possible free from any partisan feeling.

As I say, this discussion has taken a very wide range, and we have wandered some distance from the proposal contained in the resolution of my hon. friend from Halifax (Mr. Black). I should like to draw the attention of the House to the fact that his resolution proposes merely two things, first:

> That, in the opinion of this House, good faith should be kept with the Maritime provinces and other interested parts of the Dominion in regard to the recorded assurances and undertakings of governments and parliament and the agreements set out in the statutes of the Dominion respecting the routing of Canadian trade over Canadian territory and through Canadian ports,—

That is a definite declaration to which the House is asked to give adhesion—that good faith should be kept with the Maritime provinces and other interested parts in regard to these assurances which have been embodied in our statutes and in various agreements with railways in the past. To that proposal it seems to me no one can take any very great exception, but I would like to call the attention of the House for a moment to exactly what is contained in the statutes in regard to these assurances. I turn to chapter 71 of the acts of 1903, where the act incorporating the National Transcontinental Railway is to be found, and in section 42 I find the following:

> It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agrees that all freight originating on the line of railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

A similar provision was made in 1914 with regard to the Canadian Northern railway, when an agreement was made attaching certain conditions to its operation.

Mr. MacLAREN: There was a stronger provision in 1914.

Mr. MACDONALD (Antigonish): There is another provision here which I might read:

The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall, in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely,—the development of trade through Canadian channels and Canadian ocean ports.

May I say that that is the policy of this government to-day; that is the policy we would like to see carried out in this country. The question is whether or not it is being carried out. Let me call to your attention the problem, for instance, of the carriage of grain. With all deference to a great many of my friends in the Maritime provinces, let me say that there is a mistaken impression that the carriage of grain and the trade in grain is something that is wholly under the control of the railways. Now the facts are that the wheat pool in the west or the Winnipeg Grain Exchange sell their wheat in China or elsewhere in the east, or in Great Britain, at Liverpool, and they sell it delivered to the purchasers across the ocean. When they come to ship that grain they not only go to the Canadian National Railway or the Canadian Pacific Railway and find out the rate at which these roads will carry the grain down to the seaboard, but they ascertain what is the lowest possible rate at which that grain can be carried across the Atlantic. For that purpose the shipping interests of New York, Boston and other ports in the United States maintain their agents and brokers in Winnipeg, to whom these shippers can go; in fact they do not need to go to the brokers, because the rates are supplied to them by the active agents of these shipping interests in American ports. When a man wishes to get space for 50,000 bushels of grain he has to take into consideration what is the cheapest rate he can get for carrying that grain across the Atlantic, and I want to say to my hon. friends from Halifax and St. John; and I say it with no unkindness, that I think the people who are interested in shipping at those two Maritime ports might well in the past have displayed some of the alacrity in getting business that the shipping interests operating from American ports have shown. If they did so, they would be in a position to go to the shipper in Winnipeg and quote him a rate lower than he could get from American ports, because the distance across the ocean from Halifax or St. John is much less than the distance from American ports.

Hon. gentlemen will notice that the only obligation imposed on that railway of which we are the inheritors is that products which are not specially routed by the shipper must be carried to Canadian ports.

Mr. CAHAN: Would my hon. friend look at section 45?

Mr. MACDONALD (Antigonish): That involves the establishment of shipping facilities by the National Transcontinental; that is another phase of the subject with which I may deal. At the moment I am dealing entirely with this question of rates, the subject of this resolution and the question that has been largely discussed this afternoon. I am pointing out that the obligation which rests upon the National Transcontinental Railway to-day in regard to rates is that where traffic is not specially routed, it must be carried to Canadian ports. Now what has occurred in regard to that? The Canadian Northern Railway was taken over by the government of the day in 1918. I opposed the taking over of the Canadian Northern railway when I was in parliament, both in 1914 and in 1917. I think this country should not have been saddled with that enormous railway obligation, but if possible the railway should have gone into the hands of a receiver. However, all that is past history; we did take over the road and it became incorporated with the National Transcontinental, and later, in 1919, with the Grand Trunk. That was the situation in 1919 when the Intercolonial Railway first came under the control of the same governing forces as controlled the Canadian Northern and the Grand Trunk.

In order that the record may be clear, I may point out that when the government of the day in 1919 came to take over the Grand Trunk Railway there was no provision made there by which these pledges, these statutory arrangements, would be confirmed and carried out. My hon. friend from Quebec West (Mr. Parent) at that time, on the third reading of the bill to take over the Grand Trunk railway, moved:

That the said bill be not now read a third time, but that the House do come to the following resolution:

That the Grand Trunk Railway System which the government proposes to acquire, comprises many miles of railway lines on American soil;

That the Grand Trunk Railway Company has diverted most of its traffic from Canadian ports to its United States terminals;

That a continuance of such policy by the Canadian government would be injurious to Canadian trade and detrimental to our national welfare;

That the ownership by the Canadian government of the American section of the Grand Trunk railway would involve this country in international troubles respecting labour administration and public policy;

That for the above-mentioned reasons, the acquisition of these lines means a serious danger of the annexation of Canada by the United States;

That the House is of opinion that before taking action towards the acquisition of the railway referred to the government should give an immediate assurance to this House that it does not intend to divert Canadian trade from Canadian ports by taking over that portion of the Grand Trunk railway situated and operated in the United States.

Well, the Grand Trunk was taken over, and the great complaint in the Maritime provinces has been that the trade from the west has gone to Portland, the American terminus of the line. Now that is a question of fact. There is no doubt about the obligations contained in the statute. This government freely and unreservedly assumes the obligations and regards them as binding on the Canadian National Railway Company. It is a question of fact as to how far these obligations are not being carried out. It is all very well for hon. gentlemen to say that the freight is not going as it should. This House naturally wants to have some definite and clear finding on the question whether or not this obligation is being discharged.

Mr. MacLAREN: May I ask whether the Canadian National Railway Board have been informed of the policy which the minister states is now held by the government?

Mr. MACDONALD (Antigonish): The Canadian National Railway Board must know what is in the statutes. Personally I do not propose to be responsible for newspaper reports as to what Sir Henry Thornton is alleged to have said here or there. I know how unreliable those reports are upon such questions. I am going by the record. The position of affairs is as I have stated, and if the obligations which appear to exist have not been carried out, this government wants to ascertain that fact.

Mr. HANSON: You do not need to have a commission to find that out.

Mr. MacLAREN: I do not wish to interrupt the minister to a greater extent than is necessary, but may I ask whether he will state that the government will draw the attention of the Canadian National Railways to the existence of these enactments with a view to having them observed?

Mr. MACDONALD (Antigonish): If anything further is needed than the statement which as a responsible minister I am now making with regard to the policy of the government, I am quite sure my hon. friend the Minister of Railways will see that it is done.

Mr. MacLAREN: I think it should be done.

Mr. MACDONALD (Antigonish): Then in the second part of the resolution we are asked to say "that freight rates over the Intercolonial railway be adjusted in accordance with the understanding of confederation." Now, there has been a great deal of indefinite discussion upon this question of what the understanding was at confederation. It will not do for hon. gentlemen to say that you must have low freight rates for our products going west from the Maritime provinces unless you are to have a correspondingly low rate on products coming east from the west.

An hon. MEMBER: Why not?

Mr. MACDONALD (Antigonish): I think my hon. friend would find that the House would agree that the rates from west to east must be considered. Quotations have been made from the speeches of Sir George Etienne Cartier and Hon. George Brown in which these gentlemen spoke of Upper Canada sending its farm and manufactured products to the Maritime provinces while the latter in return shipped its coal and fish westward. I assume that was the intention so far as those gentlemen were concerned. On referring to the statute, section 145 of the British North America Act, which provided for the construction of the Intercolonial railway, I find the following:

Intercolonial Railway

Inasmuch as the provinces of Canada, Nova Scotia and New Brunswick have joined in a declaration that the construction of the Intercolonial railway is essential to the consolidation of the union of British North America, and to the assent thereto of Nova Scotia and New Brunswick, and have consequently agreed that provision should be made for its immediate construction by the government of Canada: Therefore, in order to give effect to that agreement, it shall be the duty of the government and parliament of Canada to provide for the commencement, within six months after the union, of a railway connecting the river St. Lawrence with the city of Halifax in Nova Scotia, and for the construction thereof without intermission, and the completion thereof with all practicable speed.

Now let us see what the history of that project was. The railway was constructed by the government of Canada under that statute, utilizing the existing portions of railway in the Maritime provinces, to Riviere du Loup, the original terminus of the Intercolonial. I well remember attending a meeting at Halifax which was addressed by Sir Charles Tupper and the Hon. A. G. Jones, when the subject of discussion was the probability of Halifax becoming the winter port of the Dominion, although the Intercolonial at that time went only to Riviere du Loup. Later on the government extended the line to Levis, and in 1898, when the late Mr. Blair was Minister of Railways, owing to the acquisition of the Drummond county railway, a further extension took place to Montreal.

There is nothing in the statute from which I have quoted which makes any reference one way or the other to railway rates; but from the time of the completion of the railway down to 1912, when the first increase of railway rates took place, the Intercolonial was operated in accordance with what hon. gentlemen opposite assert to have been the intent of the Fathers of Confederation: we had rates that enabled our products to find access to central Canada, and an interprovincial trade existed which was highly satisfactory. In addition to through rates that were not high, very satisfactory local rates were granted which permitted of an exchange of products between Nova Scotia and New Brunswick. At that time New Brunswick had no coal and we had an abundant supply; and there were other conditions which permitted of an interchange of products and enabled our people to prosper to a fairly satisfactory degree. I think it was in 1912, when the late Mr. Cochrane was Minister of Railways, that the first increase in rates came; it was largely an increase in local rates. In 1918 or 1919 a new classification of rates was imposed on all parts of the Intercolonial, and there is no manner of doubt that since that time the rates imposed have had an injurious effect on our industries down there and have rendered it practically impossible for us to ship to central Canada those natural products which we can supply. But at no time have we ever had any record of these rights as being definitely and certainly determined. When hon. gentlemen speak about pre-confederation understandings in regard to rates they are not talking about railway rates, because those had not been determined; they are talking about interchange of trade and the maintenance of such rates as should be necessary to develop interprovincial trade. But for over forty years every consecutive government, whether Liberal or Conservative, recognized the rights of the people of the Maritime provinces to have the Intercolonial railway operated under the conditions which existed at the time referred to.

Now it is most essential that the people of Canada should know definitely, through some responsible authority, what those confederation understandings were and how they were interpreted by successive governments. There is only one way in which that could be done. My hon. friends opposite say they do not think the Maritime rights commission will result in any good. The hon. member for St. Lawrence-St. George (Mr. Cahan) thought the commission would take a long time to acquaint itself with the economic situation. I do not know Sir Andrew Duncan; I never had the pleasure of meeting him, but I do know, from the manner in which he dealt with the problems that were presented to him by the government of Nova Scotia, that he won the confidence of the people in our part of Canada and the admiration of the people generally in central Canada.

Mr. HANSON: Would the minister permit me, before he leaves that phase of the question, to ask him this: Will he tell the House and the country whether he stands by the declaration he made over his own signature in the Halifax Herald in 1921 with respect to the integrity of the Intercolonial railway?

Mr. MACDONALD (Antigonish): I have already made a statement to the House. If my hon. friend wishes to introduce the political phase of this subject—

Mr. HANSON: I do not wish to do so.

Mr. MACDONALD (Antigonish): —let me say this: my hon. friend and those around him are the people who destroyed the Intercolonial railway. I was opposed to the acquisition of the Canadian Northern railway and of the Grand Trunk. I still think that acquisition was unwise, and I would like to see the Intercolonial back to its old status.

Mr. MEIGHEN: Does the minister in giving his answer recall that his letter in 1921 was written after both were acquired—

Mr. MACDONALD (Antigonish): Yes, that is so.

Mr. MEIGHEN: —and were Dominion property?

Mr. MACDONALD (Antigonish): I entertain the same views now that I did then. But I am dealing with the hon. member for St. Lawrence-St. George, who contended that this commission would take too long a time to get under way. Well, let me say that Sir Andrew Duncan, as chairman of the commission, will deal with these problems with a full and complete knowledge of everything connected with the coal industry, and practically also with the steel industry in Nova Scotia. He comes surcharged, as it were, with information. We are most fortunate in having been able to obtain that gentleman's services to deal with this matter; so that I think there need be no delay. This government is referring the question to the commission not for the purpose of getting rid of responsibility, but with a sincere desire

that we may have from some authoritative body a determination of the allegations which come from different sources as to the conditions in those provinces and as to what should be the remedy therefor. That is our view and purpose in regard to the matter; we have no other end to serve.

I shall not read the whole of the order appointing the Maritime Rights commission, but I should like to draw the attention of the House to a reference it makes to the matter specifically dealt with by the present resolution. After reciting the representations made by the provinces the order states:

> Such representations relate more particularly to the alleged failure to use Canadian ports for Canadian trade to the extent to which they might be utilized—

There is a subject upon which this commission can report—whether or not the good faith of the country, pledged by these statutes in 1903, is being violated, and if so in what respect. This House can then adopt such means as are within its power to provide a remedy. The order proceeds:

> —and to the handicaps said to result from the operation of the schedules of rates chargeable for the carriage of goods on the railways uniting the Maritime provinces with the other provinces of Canada and to the manner of administering that part of the Canadian National Railways system which was formerly known as the Intercolonial Railway by methods and conditions alleged to be inconsistent with the pledges given at the time of confederation in regard thereto, and with the practice followed from the time of the construction of the railway until December, 1918.

In other words, with regard to both branches of this resolution a commission has been constituted for the purpose of reporting to parliament whether, in the one case, the good faith of Canada has not been kept, and in the other, pre-confederation pledges have been disregarded in the conduct of the administration of the railway subsequent to confederation. I submit that the method we have adopted is the right and proper one, from the standpoint of those of us who live in the Maritime provinces and who want to secure the application of substantial and intelligent remedial measures in regard to our grievances. We do not want any jumping in the dark. We want our position in confederation clearly and definitely understood by parliament, so that hon. members coming from all parts of Canada may be able, when that report comes before them, to deal intelligently with the matter, and to assist in providing a suitable remedy.

I am glad to observe that the hon. member for St. Lawrence-St. George refers to the personnel of the commission in complimentary terms. Nothing can be said derogatory to any of the gentlemen composing the commission; their recognized status and ability will command the confidence of the House and the country. No journal in this country has been more vigorous and aggressive in demanding a recognition of what have been called Maritime rights than the Halifax Herald, and when the announcement of the appointment of the commission was made the other day, that paper published in large headlines:

> Victory for Maritime rights. Federal Probe is Ordered.

Then on the following day they published an editorial which dealt in this way with the objections which had been mooted by hon. gentlemen here:

> Now there is to be a federal royal commission to investigate all phases of Maritime rights. This is indeed a great victory for the earnest, devoted men and women of the Maritimes who persisted in their fight against indifference and discrimination abroad and discouraging propaganda at home. The leaders of the movement are now able to read in the order in council appointing a commission a recitation of the claims they have been pressing for years; and they know that this action by the federal government comes as the certain result of the work that has been carried on with such splendid courage and determination by those who were not daunted by indifference and discrimination on the one hand, nor discouraged by partisan propaganda on the other.
>
> These representations contained in the Nova Scotia resolution are made to apply, in the federal order in council, to the three Maritime provinces, an application with which the people of this province will agree.
>
> We realize that there are many in the Maritimes who doubt the efficacy at this late date of a royal commission, such as has been appointed at Ottawa.
>
> Be that as it may, it is the opinion of the Halifax Herald that the Duncan commission, now it is formed and instructed to proceed with its investigation, should receive every co-operation and support from the Maritime people.

And I bespeak from hon. gentlemen who are my colleagues from the Maritime provinces in this House that co-operation and support in order that the commission may be a proper fact-finding commission, and that the report may be such as will command the confidence of the House and the country. The editorial continues:

> The salvation of the Maritimes lies in co-operation—one million people speaking with one voice—and we trust that the people of the Maritimes will do everything in their power to further the work of the commission and bring to its deliberations such a volume and character of evidence and information as will establish beyond doubt the justice of Maritime claims. We feel it to be the duty of the governments of the three Maritime provinces to provide for representation before the commission; and a similar duty devolves upon other public bodies in the Maritimes, as well as upon all private citizens who may be able to contribute to the success of the inquiry.
>
> It is not a question of individual views, nor of party politics; it is a question of Maritime betterment. And no matter what may be the opinions of our people upon the many economic and political questions involved, it is a duty of Maritime citizenship to co-

operate in this, as in all other features of the Maritime movement. For this is one feature of the Maritime movement—a part of the whole—the direct and certain result of the campaign that has been carried on. The governments of the three Maritime provinces are moving to press Maritime claims at Ottawa; our members at Ottawa are pressing these claims; the Maritime transportation case is now being heard; boards of trade and other public bodies are active in Maritime interests; and to all this investigation and representations is being added the work of a federal royal commission.

Let the people of the Maritimes forget politics in this, as in all other phases of the Maritime rights campaign. Let them assume that there is sincerity and earnestness behind the appointment of this commission. And let them speak and act in a manner that will destroy all possibility of the criticism that they are not prepared to co-operate in any and all movements in Maritime interests. Let them feel that this is another stride forward along the road to a realization of their aims and hopes—a prosperous people, citizens of a province that should and must be an equal and contented partner in confederation.

I do not think it is necessary to argue with my learned friends opposite, in view of the positive commendation by this well known conservative organ of the action of the government appointing this commission. That we were right in so acting is self-evident.

Referring to this particular resolution, the assertion is made that the good faith of the Canadian government should be kept. We are prepared to keep faith. We want to carry out the terms of the confederation pledges, once the facts are ascertained. If the commission finds that there has been infraction of duty on the part of governments, on the one hand, or an error in railway management on the other, this government will proceed to act and will deal with the matter as soon as the report is submitted to us.

Mr. JOHN MILLAR (Qu'Appelle): After listening to some of the arguments that have been presented this afternoon, and particularly to the agreement which was read by the hon. member for St. Lawrence-St. George (Mr. Cahan), there appeared to me to be strong argument and good reason why a thorough investigation should take place before there is any tinkering with railway rates, in order to ensure that grain shall pass through Canadian channels. I refer to the clause which says that Canadian grain shall not be carried to American ports at a rate less than that at which it is carried to Canadian ports. If I caught it aright, that is the statement. We will suppose that that applies to Montreal. How will it affect the shipper? I do not know whether this came into effect after the railways were carrying grain to Portland, Maine, and to St. John and Halifax at different rates, but the effect in any case would be the same. Let us suppose a shipper has a cargo of grain at Fort William. Ordinarily, he would send it to Montreal, we will say, in the latter part of the season—this would not apply in the summer—and then he would get it to Portland for a cheap rate, because the distance is not great. This order is put into effect that grain must not be carried to a United States port at a rate less than that at which it is carried to a Canadian port. If any of those gentlemen who are discussing this were railway officials, had the management of the railways affected, what would they do? I would just like to ask them. Would they not raise the rate to Portland and lower it to St. John and Halifax? The reasonable supposition is that they would cut the difference in two. That is, grain that would ordinarily be carried from Montreal to Portland for, say three cents—in order to illustrate my point—would probably cost five or six cents after this order goes into effect. I understood that it was at one time an order; I understand now it is a part of the contract. The man who has the cargo of grain says: I cannot get it out to Portland, St. John or Halifax as cheaply as I used to or as I could if this clause was not in the agreement; what shall I do with it? I will send it out by Buffalo. That is, by putting that clause in your contract, by trying to keep grain in Canadian channels, you effect just the opposite; the clause defeats its purpose and drives the grain into the United States channels at Buffalo. It may be that I did not hear the statement exactly aright, but I believe I did and I have reason to fear that that will be the effect.

Mr. CAMPBELL: Will the hon. gentleman not admit that the discriminatory rates over the Transcontinental have had the effect of diverting grain to United States ports?

Mr. MILLAR: That is an entirely different matter. I was coming to that later on. This will have and has the effect of driving grain into the United States at Buffalo rather than of keeping it in Canada as far as Montreal. I am speaking of the latter part of the season when the St. Lawrence is frozen and ships cannot leave that port. If you try to drive the grain to Halifax or St. John, several hundred miles further, by saying to the railways, not that it must be carried at the Portland rate or the Halifax or St. John rate, but that it must be carried at the same rate, you will drive the grain out of Canada at Buffalo. I believe if hon. gentlemen look into the matter they will find that is the effect of it.

The hon. member for Cumberland (Mr. Smith) presented a strong case tinged less

with party politics than we are usually unfortunate enough to have to listen to in connection with this matter. He made the remark that it might be well for parts of Canada to make sacrifices in order that traffic might be sent to Halifax and St. John in order to build up the eastern provinces. I quite agree with him in that, provided that the sacrifice is not too great. If our railways are carrying Canadian traffic even at cost we should not forget that while the railway itself is not making money it is employing many men who are drawing full pay and if, as is suggested, some sacrifice is made even by those who grow the grain, if they pay a little more to have the grain kept in Canadian channels, the benefits they would get in an indirect way would offset the heavier overhead in freight. But when you ask the grain grower to pay perhaps four or five cents or three cents more per bushel, you are asking something that he will not grant. He cannot concede that much.

Why does Canadian grain go through United States channels? Recently I had pointed out to me some evidence taken by the Great Lakes commission and I noted questions asked of a representative of the shipping board. His answers showed that the rate on grain from Duluth to Buffalo was at that time about 3½ cents a bushel while the rate over a much shorter route, from Fort William to Buffalo or Port Colborne, was 5 cents. There you have a difference of 1½ cents a bushel. How are you going to say to the shipper: You must pay the higher rate? The government will have to take a high hand, become quite arbitrary, to force the shipper to send his grain by a certain route. He is going to take the cheaper route; the question is an economic one.

It has been contended in this House, I believe, that rates from New York to Liverpool and from Montreal to Liverpool are the same. I must take issue with that statement; the rate is usually less from New York than from Montreal. The rate on Canadian grain from Fort William to Liverpool by the United States route is practically always less than by the Canadian route. It is not an easy matter to overcome that. I would like to see Canadian grain go through Canadian channels, but I cannot think that is all the question in connection with the Maritime provinces. I listened to the case presented by three hundred representatives from there a year ago and I would get the impression from what they stated that there was nothing there except St. John and Halifax. I expect to hear something about the country, about the industries, about agriculture, but I heard nothing about that; all I heard was about freight through Halifax and St. John. I cannot think the fact of grain travelling down past their doors, going through their province, being shipped from their harbours of Halifax and St. John, even if it all went there, is going to remedy their troubles, is going to put them on a sound economic basis. There must be other difficulties. I do not wish to say this as a matter of criticism, but I have listened too frequently to statements made as though contractual obligations were entered into at the time confederation was being negotiated, when to me they were simply pious hopes of what would or might take place if the Intercolonial railway were built. I think about ninety per cent of what have been spoken of as contractual obligations were simply pious hopes. I know two men who traded horses, and one of them slapped the other on the shoulder—he knew him very well—and said: "Jack, if you get that horse he will surprise you." They were both horse traders. Jack got the horse and he certainly did surprise him because when he got out into the field he would kick himself clear of the harness. I think the Maritime righters are in the same predicament; they heard a great deal at that time of what should, and what they believed and hoped would, take place, and apparently they swallowed it all. But that is quite different from a contractual obligation.

The hon. member for Mackenzie (Mr. Campbell) asked a question about the National Transcontinental Railway. I would have liked the hon. member for St. Lawrence-St. George (Mr. Cahan) to tell us that he was so anxious for a solution of this question that he would even favour cutting the rate on the Canaidan National from Armstrong, which is north of Fort William, so that it would be on a parity with the rate on grain in western Canada. That would bring it to about 11 cents or a trifle more; it is now 20.7 cents. However, the hon. member rather sidestepped that question I thought. If that rate were reduced it would be a great help, and I do not see any reason why that should not be done. That was the intention when the Transcontinental was built, with very good grades, heavy rails and well-built bridges fitted to carry heavy loads, yet with the exception of a very short period—I think some six months—the rate always has been prohibitive, so that no grain goes there and the grass is growing around the rails. If the rate were reduced to eleven cents I think the port of Quebec would be used very much more, and the two million bushel capacity there would be made some use of.

This is a very difficult question, and it is well that it should be discussed in this House I for one am willing to listen to any arguments presented. The Maritime provinces are a part of Canada and we want to see them prosper. Any assistance we can give in the solving of the problem will, I believe, receive the support of all members of the House; it will receive my support, at any rate. But we must approach the matter in a business-like way, and we must face the facts. The amount of traffic over which the railway has control is small, I believe, in comparison to that over which the shipping interests have control, and so long as grain can be carried for a few cents less by the United States railways I am afraid they will get the business. I would like to see the traffic kept in Canada, however, if that can be done.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, in supporting the resolution of the senior member for Halifax (Mr. Black) I would like first to deal with the position taken by the hon. member for Lisgar (Mr. Brown) who on February 16 last paid me the compliment of referring to some remarks I had made a short time previously in regard to the share assumed by the Maritime provinces in the purchase of the Northwest Territories. I then asserted that we had paid our share of the £300,000 which the Hudson's Bay Company received for Prince Rupert's Land. The hon. member considered that we had good reasons for complaint in regard to railway rates, and in that matter his sympathy was with us, but when I came to discuss the question of what the Maritime provinces had done in connection with the purchase of these lands, I lost his sympathy.

At that time, of course, I was building up a case leading to a claim for compensation in regard to the allocation of those lands to the other provinces of the west. The hon. member intimated at that time that he had made some inquiries in the matter and had found the facts to be that the purchase price of the Northwest Territories was included in a note given about 1874 which ran for thirty years and was paid off in 1904, and that that note had been met out of the consolidated funds of Canada, or words to that effect. I am afraid my hon. friend was a little astray in that statement. The fact is that the loan to which he refers was paid in cash from the proceeds of the sinking fund of one per cent as provided for in the act authorizing the loan.

As to the manner of the payment to the Hudson's Bay Company, I may say that payment was made by a warrant issued by the then Governor General of Canada, Baron Lisgar, to Glyn Mills & Company for $730,000, and another for the same amount to Baring Brothers, London, these being payments on account of the Northwest Territories purchase, and were included in the accounts for the year ending June 30, 1870. My hon. friend assumed, I believe, that these two sums of $730,000 were part of one of the items making up the loan to which he refers, which was paid off as indicated above in 1904. There were various items making up that loan; there was an Intercolonial Railway loan for $2,433,334.34; a further loan of $7,300,000; also a temporary loan of $3,893,333.33, and another loan at four per cent for $1,337,400, together with odds and ends of previous votes. As I said, no bonds were issued from the proceeds of which these amounts, namely, the sums paid out by Glyn Mills & Company and Baring Brothers, could be taken, and the only possible conclusion in regard to the original purchase price, which was paid by warrant as I have suggested, is that the young Dominion at that time had a credit balance in the hands of their bankers in London upon whom they drew through Governor General's warrants. Four years later, in 1874, authority was given by parliament for a loan which embraced several different items. One was an amount in connection with the Pacific railway; another amount was for improvements to Canadian canals. There was also a vote in 1870 of £1,100,000 for Canadian defence, and other votes, to one of which I will refer. I think this is the vote which has probably misled my hon. friend. That vote reads as follows:

For opening communication with, establishing government in, and providing for settlement of such territories, including expedition to Red River. (This vote to be in lieu of that for same amount granted on credit of unguaranteed loan by Act 32, Vic. c.1 and hereby cancelled, and to cover the amounts already expended; and the unexpended balance on 30th June to be applicable to service of 1870-71) $1,460,000.

I do not think there is any evidence whatever as to the point taken by my hon. friend from Lisgar. I still hold that as the amount was paid in cash in London prior to June 30, 1870, by the two warrants which I have referred to, the four original provinces did pay the cost. My friend shakes his head, but I think the position I take is correct and that he is in error. At any rate, I have adduced some documentary proof in support of my position, and I submit he has not done so in regard to his.

When confederation was first suggested the dream of its promoters was a federated Canada wherein the several members would have a unity of interest; in other words, a harmonious whole in to which the four provinces as partners could enter, neither profiting

unduly at the expense of another. The union was designed also to link up and strengthen these outlying portions of the empire. The one thing then recognized as essential to the success of this union was railway transportation; hence the stipulation for the construction of the Intercolonial railway. Now, whether we were hoodwinked or not—and perhaps we were—I assert, Mr. Speaker, and I think you will agree with me, that we in the Maritime provinces were made very definite promises by the Fathers of Confederation, and it ill becomes any member of this House now to taunt us with having been taken in. I hold that what this parliament ought to do is to rectify wrong. It is not creditable to any hon. member to cast up to us that we were fooled and taken advantage of at that time, even if we were.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. CANTLEY: Mr. Speaker, when the House rose at six o'clock I had been referring to the necessity for an intercolonial railway if the several eastern provinces were to be brought into the confederation. All of us who are informed as to what was done at that time are thoroughly aware of what was promised in connection with the building and the subsequent operation and management of that Intercolonial railway. I shall not refer to that matter further.

I shall now deal with what the Maritime provinces have contributed towards the Canadian Pacific Railway and what benefit we in the east have derived from that great enterprise. The eastern provinces paid their share of the cost of the road, and, unfortunately for us in Nova Scotia, it ended at St. John. So far as Nova Soctia is concerned, this great transcontinental railway, so far as transportation and the advantages accruing from competition are concerned, might as well have been non-existent. Over a considerable period of years we in Nova Scotia, particularly the iron and steel plants of that country, and more particularly the Scotia Steel Company of New Glasgow were able to sell to the Canadian Pacific Railway very large quantities of railway material. As a matter of fact the Canadian Pacific Railway was by far our largest and most important customer. In the early days that railway took delivery of all material sold by the Scotia company to them at St. John, on equal terms with material delivered to them by other parties at Montreal or at Hamilton, as the case might be. But some time ago, due to a change of policy, the St. John Canadian Pacific Railway gateway was closed, and we were then unable to make delivery to the Canadian Pacific Railway at that point, the Canadian Government Railway insisting on getting the long haul. We therefore had to pay the freight, not to St. John, a distance of 255 miles, but to Montreal, some 800 miles. The Canadian Pacific Railway then naturally said to us: Inasmuch as you cannot now give us any traffic, we see no good reason why we should now give business to you, more particularly in view of the fact that the other manufacturers in Ontario and Quebec who can give us freight, and who do give us freight, are clamouring for the business which you are asking us to give you. The result of this was that we were practically pushed out of the Canadian Pacific Railway business, due to unfair discrimination on the part of a railwty which was built to give us facilities for doing business in the central and western provinces.

Now the only effective cure for that condition that I know of would be to give, as at one time was contemplated, running rights to the Canadian Pacific Railway from St. John to Halifax and through New Glasgow eastward to the Sydneys. This is necessary if we in Nova Scotia are to get our fair share of the business given out by that railway—and it must be remembered that the two railways of Canada are by far the largest and most important consumers of iron and steel products in this country—and it is essential that we be put in a position to make deliveries on the lines of the Canadian Pacific Railway as I have indicated.

Now I refer to another matter. Owing to territorial concessions to other provinces and certain changes in the distribution of population, largely due to the exodus of the population of the Maritime provinces to the west, it is imperative that the Maritime representation in the Dominion parliament be now readjusted so that our voice and prestige in the Dominion parliament be adequately maintained. What is necessary to-day is to restore representation in the federal parliament in the proportion set forth in section 37 of the British North America Act. The Maritime provinces contend that they have a proprietary interest in the natural resources of the former Northwest Territories. They maintain that they should and must be recompensed for that portion of the territory in question which has been ceded to other provinces, and from which it is now proposed to make further transfers, although no compensation has been or is proposed to be given to the Maritime provinces for such transfers.

There has grown up a deep feeling of discontent in the provinces of Nova Scotia and New Brunswick during the past few years with regard to the relations existing between these provinces and the Dominion as a whole. This feeling has been increased by the apparent indifference with which appeals for fair treatment have been received, coupled with the other grievances to which I have referred—the reduced representation in parliament accorded those provinces, particularly Nova Scotia. What we are now asking is a fair and honest recognition of our rights and interests in view of the fact that but for Nova Scotia, the oldest province in the Dominion, confederation and the creation of the Dominion of Canada would have been impossible.

I do not think it is necessary to enlarge on the fact that but for the entry of Nova Scotia into confederation the federation compact would have been impossible. For five months in the year this Dominion is dependent entirely on these two provinces for access to the sea. That was demonstrated, as I have already pointed out, during the war. Surely we have not forgotten the lesson then impressed upon us. Surely we are prepared to pay those Maritime provinces a fair consideration for the position that they occupy and the difficulties which they have encountered as members of confederation. Prior to confederation we Nova Scotians were a prosperous people. Nova Scotia then stood fourth amongst the shipowning nations of the world, possessing more shipping property per capita than any nation on the globe. Our flag—and Nova Scotia alone of all the dominions then had a flag—our white ensign with the blue cross of St. Andrew, was shown on every sea. We had freighters on the Atlantic. Far up the Rio Grande, and all the ports and rivers of South America were equally familiar to our captains, our seamen, and our ships, Nova Scotia shipping was to be found on all the trade routes of the world. Now, I do not say that confederation is responsible for the ruining of that trade and the disappearance of our shipping. The transition from wooden to iron bottoms, and later on the victory of the steel tramp steamer over the steel sailing vessel wiped out our wooden fleet. Then came confederation with its inducements as to our being able to transport our products and manufactures over the Intercolonial to the central and western provinces. Those suggestions turned our thoughts to other employment, and instead of taking up the building of a fleet of steel steamers as we should have done and could have done readily—and as was done by Norway first and later by Holland—and thus maintaining our supremacy in the transport of traffic and navigation throughout the world for which we were admirably adapted by nature, we sold our fleets largely to the Norwegians and spent the proceeds, supplemented by our savings in the building of sugar refineries, cotton mills, iron and steel furnaces and mills, the products of which we were assured were to be carried by the Intercolonial to Upper Canada, a thing to be rendered possible by special freight rates.

Now, Mr. Speaker, isolated on the extreme east of Canada, and separated from Quebec by 500 miles practically of wilderness in which no trade for the Maritime provinces exists, we were promised a differential which is now nonexistent. To-day we are charged full mileage rates which are from 100 to 150 per cent greater than those in effect twelve years ago, and in not a few cases the westbound rates are higher than the eastbound rates. This is in absolute contradiction indeed a complete reversal of the promises made to us. All protests so far made as to this unfair treatment have been ignored or denied. Our whole freight traffic structure is controlled and administered to-day by a few old Grand Trunk officials established in Montreal who view the Maritimes from the background of Chicago, Portland and New London instead of in the light of the industrial interests of Amherst, New Glasgow the Sydneys and the other manufacturing towns of the east. Due to competition with the mass production of the industries of Quebec and Ontario, and unequal and oppressive freight rates, it is now impossible to carry on many of the enterprises to which I have referred. Enterprises which were entered into a few years ago with a good deal of enthusiasm have now come to grief, with loss of much of the capital invested therein. Another difficulty with which we have to contend is that the steel duties have been so dealt with as to make them practically of little or no value to the industries of the Maritime provinces. More than three score of items have been taken from the dutiable schedule and put in the free list, and to-day there is practically nothing on which we have protection worth mentioning outside of the one item of railway materials. We have been sacrificed to the manufacturers elsewhere, to the implement people of Canada, to the interests of anybody who had some pull or made pretensions to do something at the expense of somebody else.

Prior to confederation our coal went largely to the New England states. Fifty years ago

over a thousand vessels loaded every summer in the port of Pictou for the New England ports and almost as many in the port of Sydney for the same market. Had it not been for confederation we would have been able to establish satisfactory and permanent arrangements and connections with American capital, with American railways, with American manufacturers, principally in the New England states, and would have done so. Thus we would have secured an all-the-year-round market for our coal. After the monopoly of the General Mining Association of London was broken up in 1856 it was American capital that developed our collieries, not Canadian, or European, or British capital. The only exception to that statement was in the case of one colliery in Cumberland county, one in Pictou county and possibly one in Cape Breton.

It is said that we in Nova Scotia are trading unnaturally and there may be some truth in that statement. But whether or not it be the case, the fact is that we are trading to-day as we are forced to do, and have been for fifty years been forced to do through our being included in the Dominion of Canada. This virtually means that Nova Scotia has been sacrificed to the consolidation of the empire. Unfortunately the Dominion as a whole treats Nova Scotia in the main as the empire has always treated its soldiers, relying on them in time of war and forgetting and neglecting them in time of peace. That has been our fortune—just the same treatment as the empire from time immemorial has accorded the men who fought for and defended the empire in time of stress. We were told within the last day or two by an eminent advocate speaking in this city, who dealing with the present political situation, said that the cleft as between the east and the rest of Canada is not permanent and can be cured when the Maritimes take again to the toil of their forefathers. I wonder if he knew the meaning of his own statement? In effect, he suggests that after contributing to confederation, having contributed millions of dollars to the various railway enterprises in the central and western provinces and in manufacturing industries in our own provinces, dependent entirely upon equal trading advantages as compared with the central provinces, first as to transportation and second to tariff protection, we are now to scrap all our manufactures, lose the millions which we have invested, the savings of a century of toil, go back to wooden ships, make a futile effort to regain our lost position as world carriers and be content to be further exploited by the manufacturers, the millers and the food producers west of the St. Lawrence river.

This matter of justice to the Maritimes is not a local dispute, such as that between a industrial corporation and its workers or between a railway system and its operatives. It is rather a case of long standing dissatisfaction, due to years of disregard of understandings, pledges and promises incidental to and arising out of confederation—unequal contribution and commitments as to railway construction, and the relatively small proportion of benefits and advantages accruing to the eastern provinces; our contributions to and our obligations resulting from the Maritime proportionate contribution to and share of the construction and share of the operative loss on the great canal system of Canada. This system, which cost $225,000,000, has been operated entirely for the benefit of the central and western provinces, with only this exception, that to some considerable extent the United States coal and steel producers, who are our great competitors, are accorded free transport on these same canals, the operating loss of which is equally borne by us with the other provinces; fancy Americans given free transport facilities, at our expense, to compete with ourselves in the central provinces of Canada. If any more ludicrous trade conditions can exist it is impossible for me to conceive of them. We are subject to all these conditions, and no attention whatever, over a long period of years, has been given to any objection we have made in regard to them. We have called the attention of government after government and parliament after parliament, one set of ministers after another, to the unequal and unfair treatment which we have been accorded in that connection. The unequal advantage accruing to the central provinces from the present unfair operation of the tariff and the greatly preponderating advantages which the central sections of the Dominion derive from it is another matter of which we complain. In that regard we expect and have a right to expect that justice shall be accorded us. Then there is the failure to recognize the undoubted rights of the Maritime provinces in the lands already alienated and now proposed to be further alienated from the federal domain. These and some other federal questions, and the situation arising out of them, are so far reaching and so vitally important to the well-being of the provinces and confederacy as to put the whole matter quite beyond the range of questions that can or should be dealt with by a commission.

I have no present intention to here or now attack the personnel of the proposed commission, but for the weighty reasons I have referred to and others equally important we decline to submit our case to or to be in any way guided or obligated by any findings arising out of an investigation by such a commission. On the contrary we ask for, indeed we demand, a parliamentary committee to which we can appeal, as in the case of the Crowsnest pass rate question, which was considered and dealt with by such a committee in the year 1922; and that is not so far back but that most of the members of this House are quite familiar with the question and the settlement arrived at as to the matters then in dispute. Failure to meet the demands of Nova Scotia will tend to make of that province another Ireland, with an accompaniment of ill feeling, trouble and loss as between the eastern provinces and the Dominion greater and more far reaching than any disturbance which has arisen in the past out of the Irish question. Some hon. members opposite may laugh, but I can assure them it is no laughing matter. It is a matter which should receive the serious consideration of this House and unless it does receive such consideration there is trouble in store for this country; as to that there is no possibility of doubt.

I again tell the government we do not want a commission. We ask and demand that the matter of our grievances be examined by a committee of this House. The responsibility is on the government and to them the provinces by the sea look for relief, failing which this government must and will be held responsible for consequences that will affect not Nova Scotia alone but the whole of this Dominion.

Mr. J. L. BROWN (Lisgar): It was not my intention to take any part in this debate; I prefer to put myself in the position of a listener and a learner. I think I have much to learn, and I think also that I will have much to learn after the debate is concluded. I should not have spoken had not the hon. member for Pictou (Mr. Cantley) made certain references to a speech of my own delivered on a former occasion in answer to certain remarks made by the hon. member for Pictou himself. In the course of his speech on February 10 the hon. member used these words:

Within a few years—

Some hon. MEMBERS: Order, order.

Mr. BROWN: Are hon. members going to stand on such strict technicalities that they will not allow a sentence to be quoted from a speech in this House? I think the hon. member for Pictou quoted from mine.

Mr. CANTLEY: I did not quote from Hansard, I quoted from memory.

Mr. BROWN: My memory is fairly good and I will quote from memory. The hon. member for Pictou in a speech delivered in this House said that within a few years following the confederation of the four provinces the Hudson's Bay Company's rights were bought out for the sum of £300,000, and that that sum was paid by the four original provinces of confederation. That is almost word for word although perhaps not absolutely verbatim. I took exception to that statement and disputed the position taken by the hon. member that that sum was paid by the four original provinces of confederation.

I understand that the hon. gentleman in his speech this afternoon went further back than the time of confederation; I believe he made some reference to certain things that happened as far back as 1830. I was not able to follow his speech with strict accuracy, and perhaps it might have been wiser had I waited until I had seen it in Hansard before undertaking to reply. But when I spoke in this House I was replying to the statement made by the hon. member for Pictou that the four original provinces of confederation had paid the sum of £300,000 for the extinguishment of the Hudson's Bay Company's claims. I pointed out in the course of my remarks that the Rupert's Land Act made it necessary for that money to be raised by the Dominion of Canada, it being made one of the terms of the Rupert's Land Act that that amount should form no charge upon the consolidated funds of the Imperial government. I referred also to the fact that provision was made for repayment on the 1st April, 1904, of the loan that was made on that occasion by the British bankers. I also quoted from the public record to show that that amount of £300,000 or $1,460,000 formed part of a payment that was made on the debt of the country in that year, the total amount of the debt extinguished being $23,793,566.67.

I pointed out further that when the time came that debt was paid and that it must, of necessity, have been paid in one of two different ways. One way was payment by cash, and another was by some refunding operation, the amount being added to the debt of the whole Dominion. To my mind it did not make any difference in which way the debt was paid. I understood the hon. member this afternoon to say something about its being paid from a sinking fund. If

I made a mistake on that point I would be very glad to be corrected. A sinking fund, in my opinion, is a fund into which money is paid from time to time to discharge a liability that comes due at a certain time, and you certainly cannot take money out of a sinking fund unless money is put into it. It must be remembered that the debt was incurred in 1870 and was finally discharged only in the year 1904, so that it stands to reason that if provision was made for the extinguishment of that debt in any way it was borne in equal measure or up to the measure of our responsibilities and obligations by the other provinces of the Dominion just as well as by the four original provinces. It makes no difference whether the amount was paid in cash or whether it was paid by some refunding operation and thus added to the general debt of the country.

This is a matter of some importance, since hon. members have continued to insist that they have borne that whole obligation. How, for instance, do hon. members from Prince Edward Island and hon. members from British Columbia like to be told that they had no share in the payment of that debt? To show that I am not speaking without some authority upon this matter I wish to quote from a work that was prepared by Mr. Chester Martin, in which he deals with the whole question of the natural resources of the prairie provinces. It is a work to which I would draw the attention of hon. members from the east. They might study it with some profit to themselves and to the welfare of Canada, and their study of it will, perhaps, be calculated to promote greater harmony than seems likely to be the case when we discuss these matters more definitely. I was taking the position which Mr. Martin took when I spoke on the matter before. This is what he says in his works:

> It may be added that the west is not "the property" of Canada since the public domain is "vested in the crown," and that the £300,000 was not "paid by" the rest of Canada for the west in any case. It was paid immediately by British bankers, and the amount was subsequently raised by Canada (including Manitoba) by public loan guaranteed by British treasury warrant of June 18, 1870, pursuant to the Rupert's Land Loan Act, the principal to be repaid on 1st Arpil, 1904. The per capita contribution of Manitoba to Dominion customs revenues was for many years the highest in Canada, and thus even at the current conception of the status of Manitoba so largely prevalent in eastern Canada, this province may be said to have discharged rather more than her share of the "purchase" price of her own public domain.

It seems to me that the claim is an absolutely absurd one. If the £300,000 had been paid out of money which was actually in the possession of the four eastern provinces at that time there might be some ground for their argument; but in view of the fact that it was raised by a loan that was borne by the whole of Canada, there is no ground for their contention. When Manitoba entered confederation in 1870 we secured our fair share of all the assets and all the liabilities of the Dominion of Canada just as the other provinces did when they entered confederation. To my mind it is absurd for any hon. gentleman at this late stage to say that the four original provinces bore all the cost of the extinguishment of the Hudson's Bay Company's claims. I would like to have a statement from the leader of the opposition (Mr. Meighen) on this matter. I notice that he did not seem to be particularly happy when the hon. member for Pictou was speaking, and there is no man in this House who is more competent to set forth the facts in regard to this whole matter than the hon. member for Portage la Prairie, the leader of the official opposition. I have a great respect for his ability and I would listen to him with a good deal of pleasure if he would deal with this matter.

A short time ago the hon. member for St. Lawrence-St. George (Mr. Cahan) made some reference to what he believes to be a fact, namely, that the east was bearing a large measure of the burdens of the western people. The hon. member for West Calgary (Mr. Bennett) very fittingly and properly rebuked the hon. member for St. Lawrence-St. George in a speech that showed him to be truly western, and set forth very clearly and concisely the position which western Canada has occupied these many years in the economic life of the Dominion. It is nearly time that we heard something from some of the other western members of that party. We would like to hear from the right hon. leader of the opposition on that question, and perhaps the hon. member for South Winnipeg (Mr. Rogers) might be willing to state his views as to whether the east is bearing an undue share of the burdens of the country. We would also like to hear from the hon. member for Prince Albert (Mr. Mackenzie King); the hon. member for Marquette (Mr. Mullins); the hon. member for Springfield (Mr. Hay); the hon. member for Selkirk (Mr. Hannesson) and the hon. member for Neepawa (Mr. Murphy). Let us hear what they have to say as to whether the east is bearing such a heavy burden, which should be partly carried by the west. It would be very interesting to hear something from these gentlemen.

Mr. CAHAN: Would the hon. gentleman allow me?

Mr. BROWN: Certainly.

Mr. CAHAN: Has he heard any hon. member state that there are additional burdens which should be laid on the west?

Mr. BROWN: The hon. member for St. Lawrence-St. George himself made a reference to this matter which called forth a rebuke from the hon. member for West Calgary. I believe the hon. member was not in his place at the time, but I am referring to Hansard.

Mr. CAHAN: Laying aside the question of a rebuke, I again ask if the hon. member has ever heard anyone in this House say or urge that additional burdens should be placed on the west?

Mr. BROWN: I have heard the statement made repeatedly that the east is bearing an undue share of the burdens of the country. That statement was repeated by the hon. member for Pictou in regard to this specific matter.

Mr. CAHAN: I have not heard it, and I have listened carefully to the debates.

Mr. FOSTER: May I ask the hon. gentleman a question?

Mr. BROWN: Certainly.

Mr. FOSTER: Does the government not admit that that contention is sound, by the appointment of the commission?

Mr. BROWN: That what contention is sound?

Mr. FOSTER: The contention that certain portions of eastern Canada are bearing an undue share of our burdens?

Mr. BROWN: I refer the hon. member for St. Lawrence-St. George to the hon. member for Hants-Kings (Mr. Foster) for an answer to the question which he just put to me.

Mr. CAHAN: I suggest that it is not an answer.

Mr. BROWN: In regard to the matter immediately before the House, Mr. Speaker, I did not want to enter into the debate; I only wished to listen and to learn. I wanted to ascertain, if I could, just what claims the prairie provinces are making; what their rights are and how they should be granted; what their wrongs are and how they should be given redress. I think it is unfortunate that some things should be introduced into this question which do not specifically refer to the Maritime provinces, and in which the Maritime provinces are not alone interested. Such a question is that of the tariff. I do not think the hon. members from the Maritime provinces are quite agreed on that question; indeed, it is certain that they are not. They tell us that parties do not count in this question of Maritime rights. If that is the case perhaps it would be wise for them to confine themselves to those things on which the parties in the Maritime provinces are apparently agreed. They are certainly not agreed on the tariff. It is true that the hon. member for St. Lawrence-St. George announced what we all knew—that he is a protectionist—but he cannot claim that the Maritime provinces unanimously endorse that doctrine.

Mr. HANSON: Will the hon. member name one member on this side of the House, representing a Maritime constituency, who is not a supporter of the principle of protection?

Mr. BROWN: If the hon. member had waited just a moment I would have dealt with that point.

Mr. HANSON: Or on the other side?

Mr. BROWN: It is true that the members here representing the Maritime provinces claim adherence to the principle of protection, but it is just as true that the Maritime members in the last House were as violently opposed to that doctrine as are the members from the prairie provinces. For my part, since they tell us that Maritime rights is something on which the people are absolutely agreed, I am prepared to believe that the members from the Maritime provinces who were in the last House represented the people of those provinces on that particular question just as accurately and perhaps a little more accurately, in my judgment, than have the present members. That is my opinion; if it be not correct perhaps this commission which has been appointed may be able to bring us some very useful information on the subject.

I think it very unfortunate that these differences should arise, or that anything savouring of ill feeling or ill will should exist. So far as the first part of this resolution is concerned, I am in hearty agreement that there should be good faith kept with the people of the Maritime provinces, but we would like to know whether good faith is being kept, or to what degree that good faith has been broken. In regard to the second part of the resolution I am not quite sure of all that is there implied. If I were allowed to put my own interpretation on it, this section would not seem very dangerous, although of course there might be more read into it at a later stage than appears on the surface. It suggests that

freight rates on the Intercolonial Railway should be adjusted in accordance with the understanding at the time of confederation. That is of course a very indefinite and general term, upon which any person might put his own interpretation; to me it is simply a matter of adjusting the freight rates in accordance with the understanding at the time of confederation, and I could support that very heartily. However, I see that it is something into which others might read far more than that, and thus it might lead to confusion at a later time.

Speaking generally, Mr. Speaker, I am quite prepared to give very careful consideration to any claims coming from any part of Canada. If there is a part of this Dominion which is handicapped; if there are wrongs that must be redressed, for my part I am willing to give the utmost consideration to such claims. I would like to hear these claims stated a little more definitely and specifically, however, than they have been stated up to the present. Do the hon. members, for instance, demand that the Intercolonial railway be distinct from the Canadian National railways, and handled henceforth as a separate unit? Is that their demand? If it is, let us have it stated plainly in order that there may be no misunderstanding. Then I would like to hear what the right hon. leader of the opposition would have to say about that proposition.

I am quite prepared to believe, from the former speech of the hon. member for Pictou, that there are many inequalities in freight rates which should be corrected. But while that is true I still feel that it is necessary for us to have a great deal more information; certainly it is necessary for me to secure much more information before I could feel in a position to pronounce positively as to what might be done or what could be done to remedy the wrongs which are complained of.

Mr. J. A. MACDONALD (Kings): Mr. Speaker, I would scarcely have taken part in this debate were it not for the fact that I represent a constituency in the province which, of all the provinces, has perhaps suffered the most through the failure of Canada to carry out the terms of confederation and, as the resolution puts it, "to keep faith with the assurances and undertakings of the government and parliament of Canada." I do not intend to cover the ground of the resolution generally, but to refer briefly to some parts that apply particularly to the province of Prince Edward Island.

[Mr. Brown.]

Prince Edward Island held out for better terms than those originally proposed in 1867, and having secured them entered Confederation in 1873. At that time the island had been a self-governing colony for over one hundred years, and in the interval had made great progress. People from the Old Country settled there and hewed farms out of the wilderness and eventually became prosperous. They developed a thriving trade and established industries suitable to their needs, such as cloth mills, knitting mills, boot and shoe factories and agricultural implement factories. In the thirty years before confederation the population doubled itself, the revenues were buoyant and sufficient in every way to meet the colony's expenditure.

Now, the last speaker (Mr. Brown) asked in what way the terms of confederation were not carried out. One of the terms under which Prince Edward Island entered the Dominion was:

> Efficient steam service for the conveyance of mails and passengers to be established and maintained between the Island and the mainland, winter and Summer, thus placing the Island in continuous communication with the Intercolonial railway and the railway system of the Dominion.

Now, Mr. Speaker, I would ask the hon. member: Does he know how faith was kept with Prince Edward Island with respect to that term of the union? We suffered for many years under the failure of Canada to carry out that part of the bargain. In 1900, under the Laurier government, the claims of Prince Edward Island for damages in that regard were recognized, and the government of that day granted an additional subsidy of $30,000 a year in settlement of all claims on that account up to 1900. That represented probably a capital sum of a million dollars at that time. But would any hon. member say that a million dollars would compensate for the hardships we suffered for twenty-seven long years by reason of that failure of Canada to carry out that term of the confederation pact?

But suppose we say we were adequately settled with up to 1900, I would point out to the House some of the things that happened later. In the winter of 1902-03 we were 35 days without steam connection of any kind with the mainland, and 33 days during which there was only a one-way or a half-trip service: in the winter of 1904-05 we were 54 days without any steamer communication with the mainland and were 19 days with only a one-way or half-trip service, while for 21 days we never received any mail from the mainland; in the winter of 1906-07 we were

thirty-five days without any communication with the mainland. Yet we entered confederation on the distinct understanding with the Dominion government that we would be furnished with an efficient steam service for the conveyance of mails and passengers continuously throughout the year between the Island and the mainland. I ask the hon. member: In the face of these facts does he think Prince Edward Island was fairly treated? Why, sir, under the conditions I have described between 1900 and the present time our trade has fallen off through the non-fulfilment of this particular term of the contract, and as a result many firms have gone into bankruptcy owing to losses incurred by destruction of perishable products through delay in transportation. These disastrous conditions have seriously injured our people, until to-day our former thriving industries are a mere memory and our population has dwindled from practically a hundred thousand people in 1873 to less than 90,000 to-day.

Now, this is one of the failures of Canada to implement its promises that we think should be dealt with. Whether the royal commission that has been appointed will deal with our grievances fully and fairly is something that I do not care to discuss. I do feel, however, that we should not be put off with a royal commission, that the facts can be fairly represented to the government by the members of this House and by the provincial governments of the three maritime provinces. The three premiers are now engaged in preparing the case of the maritimes for presentation to the federal government. I know that the premier of Prince Edward Island, in conjunction with the premiers of Nova and New Brunswick, has been working on the case for two years. I believe that those gentlemen and the members in this House representing the maritime provinces are in a far better position than any royal commission to present to the federal government our local needs and claims.

While our claims have much in common with those of the other two maritime provinces, we have a claim peculiar to the Island; I refer to our mainland connection, which is not yet satisfactory. Although in 1912 the Borden government made a start to implement this clause of the confederation agreement, even to-day our communication with the mainland is not entirely satisfactory, but I am ready to admit that it is much better than it used to be. I am not citing the action of the Borden government for political reasons, because I am quite ready to give the Laurier government credit for recognizing our claims in 1900, but the Borden government went a long way to improve con-

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ditions when they began to standardize our railway and provide a car ferry service. But what is the condition to-day? More than half of the Prince Edward Island railway is still narrow gauge, and hon. members, unless they have had the experience of handling traffic from a narrow gauge to a standard gauge line, cannot understand the hardships and inconvenience it entails. Not only that, but the car ferry service cannot carry anything like the quantity of freight that is offered. A few weeks ago there were two hundred cars of freight lying on the sidings between Moncton and Tormentine waiting for transportation, which was not available. Perishable products, such as potatoes, have been lying in Prince Edward Island all winter and could not be moved because there was not sufficient steamship transportation, which the Dominion government promised us. Our handicaps are chiefly transportation. When we entered confederation the claim held out was that we would be given the markets of Upper Canada instead of the markets that we had developed to the south. The southern markets, of course, we came in touch with through water communication, but it was said that the Intercolonial would give us a much better market in Upper Canada, and we believed that. It did so, but the condition to-day is that while we have products which we could sell in Upper Canada, and sell to advantage at the prices obtainable in Montreal, Toronto and other cities in Upper Canada, the transportation charges are so great that they eat up in some cases the greater part of the price we could obtain for our products before they ever reach the market. It would be a good market if we were in touch with it at a reasonable freight rate, such a freight rate as we were led to expect when we entered confederation.

We want additional transportation facilities to-day. There is a very strong agitation in Prince Edward Island for a second car ferry, for two reasons: First, the present car ferry is not able to perform all the service that is required there; it is not able to carry the amount of freight that is offered; second, because of the very great danger that exists to-day in the fact that if anything should happen to that car ferry, we should be isolated altogether. When we look back to the days when we had only ice boat communication, when a passenger leaving Prince Edward Island had to put a strap over his shoulder and assist in hauling the ice boat across, pay-

ing six dollars for the privilege, we view with alarm the prospect of something happening to that car ferry and of our having to go back to those conditions; because if anything does happen there will be nothing else to depend upon. In the strait of Canso, where conditions are comparatively easy compared with the strait of Northumberland, they provide a service of two car ferries; they have one auxiliary in case something should happen to the regular ferry. The distance is practically only a mile, and little ice to contend with, whereas we have nine miles, and very heavy ice to contend with; yet we have to depend on only one car ferry.

There is another way in which this government might easily help out, and that is with an air service. We could at least get mails and light baggage and perhaps some passengers, transported by air if the government would utilize their air force down there. The air force could carry on their experimenting there just as well as anywhere else, and at the same time give some reasonable service that would be of great value to Prince Edward Island by giving us a speedy and sure connection for mails, and perhaps light baggage and passengers, at all times and under all conditions. It is a serious hardship at present, at best, for passengers who have to cross by the car ferry, to be out there for hours, and days sometimes, and missing all train connections. While the service is very much better than it was many years ago, it is still far from satisfactory, and this is one of the things we expect the government to deal with.

To give an instance of the kind of service we get on that railway, I had the experience a few weeks ago of starting from Borden to Charlottetown. After getting off the car ferry several hours late, we had to get into a train, and although the authorities knew that the train had to start out from Borden, when the passengers got aboard there were no lights; something had gone wrong with the electric light apparatus, and we were furnished with old worn-out cars from the railway system on the mainland, with one lantern to light the whole coach. We had not gone very far before a brake beam gave out, and we were detained till that was repaired. We went a little further and then the air hose broke, and the braking system was out of commission. I just mention these things so that hon. gentlemen may have some idea of the difficulties we have to contend with. These things are unknown on the mainland, and the western members I am sure can hardly realize that such conditions exist; but these are some of our problems.

[Mr. J. A. Macdonald.]

I do not believe a commission of this kind is good enough. I think we can present these matters to the federal government ourselves just as well as any commission could possibly do; in fact, we could do it better. Particularly I say this, that if a commission was deemed to be necessary, if the government felt they could not deal with the question satisfactorily themselves, they would have been wise to select at least one or two practical business men from the Maritime provinces as members of that commission. However, I am not criticizing the personnel of the commission. I am glad to know that a former Prince Edward Islander, Dr. Macmillan, is one of the members. I hope that he at all events will have the interests of his native province at heart, and see that some of our hardships are remedied.

I do not wish to take up the time of the House to any great extent because the general features of the question have been already discussed rather fully. But I do hope that action of some kind will be taken, and I am sorry the government have found it necessary to delegate this matter to a commission, instead of dealing with it themselves at this present session. These delays are expensive, and they are costing Prince Edward Island, as well at the other Maritime provinces, much hardship and much loss. Not only that, but in addition to the loss and the hardship, a great deal of discontent has developed; it is developing day by day. The longer these conditions exist the more will that discontent grow, and the greater danger there will be that some movement will take firm hold of the people which may possibly have very serious consequences for the whole Dominion of Canada and the confederation pact. There is a real danger there, and I would like to appeal to the Prime Minister and the members of his government to deal as speedily as possible with these matters, with the particular object of allaying this discontent, which is perhaps a more serious feature of the situation than the loss and hardship, financial and otherwise, which the people in the Maritime provinces are suffering.

In conclusion, referring to the remarks of the hon. member for Lisgar (Mr. Brown) who has just spoken, I do not know that protection enters into this question to any great extent, but so far as the members from the Maritime provinces are concerned, there is no question whatever where they stand on the principle of protection. They were all elected on that principle, and they represent that principle, believing it is the best thing for the interests of Canada as a whole. When the hon. member speaks about the delegation

that came from the Maritime provinces four years ago, and says that they had diametrically opposite views, I would ask him why did they not carry their views into effect in this parliament when they had the power to do it. I would once again plead with the government for action, and speedy action, in this matter.

Mr. G. T. MacNUTT (Colchester): Mr. Speaker, I shall take up but a short time in speaking to this resolution, for there is very little I can add to what I said on this question on a previous occasion, and repetition would be merely a waste of the valuable time of this parliament. I think it was the hon. member for Digby-Annapolis (Mr. Short) who declared that the question of Maritime rights would be presented at every available opportunity throughout this session. In view of that declaration I make no apology for addressing the House to-night.

I was somewhat amused at the remarks of the hon. member for Qu'Appelle (Mr. Millar) who ventured the opinion that no contractual rights had been taken away from us. I warn the hon. gentleman that in expressing such an opinion he is venturing on very thin ice. Would my hon. friend have us believe that the pledges of the Fathers of Confederation are no more sacred than the promises of a horse trader? I can assure my hon. friend that if the Maritime rights commission, which is shortly expected to function, entertains the same ideas with regard to the spirit of the confederation pact, that, commission will be very short-lived indeed, in fact its dissolution will begin the very first day it meets. Why, Mr. Speaker, the whole crux of the situation depends upon whether we are going to honour the pledges that were entered into at the time of confederation. It was upon the strength of those pledges and those pledges alone that the representatives of the Maritime provinces agreed to the pact. As I stated here on a previous occasion, the mere laying of two streaks of steel from Moncton to Quebec through a wilderness of 500 miles was not a sufficiently powerful thing of itself to induce the brainy men of those days who acted for the Maritime provinces to subscribe to confederation. We did not want to enter into confederation; we were persuaded to do so by the pledges given at that time. And the commission which is charged with making the investigation into Maritime province rights must acknowledge that those pledges are equally as binding as section 145 of the British North America Act, which was read by the Minister of National Defence this afternoon. Unless that is done we shall never arrive at a real solution of our troubles in the Maritimes.

We have been told on several occasions during the present session that in advocating Maritime rights we were raising a sectional cry. In this I do not agree. It is the duty of every member in this House to see that the interests of the district which he represents are carefully safeguarded; and surely hon. gentlemen to my left will resent the idea that in advocating the building of the Hudson Bay railway, and other large enterprises, they are laying themselves open to the charge of raising the sectional cry. I believe that if the representatives from the respective constituencies, or provinces, do not look after the rights of those portions of Canada, they cannot expect members from other parts of the Dominion to do it for them.

A few days ago the legislature of Nova Scotia passed a resolution on this subject. That resolution is brief and with your permission, Mr. Speaker, I will read it. It is worded as follows:

> Whereas Nova Scotia in entering confederation made possible the unification and consolidation of a British dominion on this continent;
>
> And whereas at that time certain pledges were given that such measures would be undertaken and such policies pursued as would ensure for the future a satisfactory economic position for this province;
>
> And whereas the pledges given have been disregarded as a result of which Nova Scotia has not shared in equal measure in the prosperity enjoyed by the Dominion as a whole;
>
> And whereas the government is now engaged in preparing a memorandum setting forth in detail the claims of the province with the object in view of seeking such adequate redress as will ensure such a return of contentment and prosperity to our people;
>
> Therefore be it resolved that this House approves the action now being taken by this government,
>
> And be it further resolved that such memorandum be presented by the government to the federal government with the assurance that the people of this province believe that adequate remedies exist and must be applied.

The foregoing resolution passed the legislature on a strict party vote, the three Liberal members of the House voting against it. That resolution was not presented in any party spirit or with any desire to make party capital. Premier Rhodes closed a memorable address with which he supported the resolution in the following words:

> The serpent of secession has raised its slimy head in this province, so I am told. I wish to dissociate myself with any man who ever suggests secession. There are those who say we would have been better off had we not entered confederation. From the bottom of my heart I think we were wise to have entered confederation. I believe the Fathers of Confederation built better than they knew. They were men of prophetic vision, and that we have not reaped the full benefit

of confederation is due more to neglect on our part, and I say regardless of whether a Conservative or Liberal government was in power at Ottawa, that the remedies for our ills can be found within the four corners of confederation. If we will only diligently seek them and apply them we will solve our problems.

Like Premier Rhodes I believe, Mr. Speaker, that we can solve our problems not only within the four corners of confederation but within the four walls of this building. I believe the representatives from the Maritime provinces have sufficient data to enable this investigation to be carried on while this House is in session. I think it was the hon. member for Labelle (Mr. Bourassa) who made the suggestion a short time ago that a parliamentary committee be named here before whom the desired investigation could be held. The Minister of National Defence (Mr. Macdonald) characterized the suggestion as a good one and expressed the belief that the government was ready to consider such an appointment. Unfortunately, following that announcement the minister was taken to the hospital a very sick man and for some weeks he was absent from the deliberations of the government. I believe, Sir, that if the hon. minister, who is the only minister from the Maritime provinces, had been in the councils of the government during those weeks, a parliamentary committee would have been appointed rather than the royal commission which has been named by the government. We are glad indeed to hear his voice in the House this afternoon, and we hope he may yet prevail upon the government to name a parliamentary committee before whom we may take our case. The question is such an important one that it seems to me unsafe to allow it to be dealt with by a royal commission for the next six, eight or twelve months. We realize that the situation is a very difficult one for any government, and personally I sympathize with the government which has to face the problem. I believe it is the biggest problem that has had to be dealt with by any government in recent years. But it must be faced, and the sooner it is faced the better for this country and I am sure the better for the Maritime provinces.

The hon. member for Lisgar (Mr. Brown) a few moments ago referred to the west not getting more than the east. I should like to draw his attention to the matter of the distribution of outlay. This information can be obtained from the reports of the Department of Trade and Commerce and the Department of Railways and Canals. The Canada Year Book shows that in the year 1924 the total commitments for railways and canals was $3,103,259,242 and that the proportion of that amount for the Maritime provinces, according to population, should have been $341,858,512. But it was found that the amount spent in the Maritimes up to 1924 amounted to $194,024,017.

Mr. BROWN: What was the total amount?

Mr. MacNUTT: $3,103,259,242. The Maritimes have received 53 per cent of the proportion they were entitled to. We do not ask that dollar for dollar be spent in these provinces.

Mr. BROWN: Was that money spent for railways and canals?

Mr. MacNUTT: Yes.

Mr. BROWN: Did the hon. member say three billions?

Mr. MacNUTT: Yes.

Mr. BROWN: In one year?

Mr. MacNUTT: No, the total up to 1924. We can easily see now that this session another $100,000,000 will be added to the debt of the country, and I am sure that the Maritime provinces are not going to gain much by the bills now before the House.

Mr. WOODSWORTH: Has the hon. member included the steamship subsidy and expenditures for docks and all that kind of thing?

Mr. MacNUTT: No, that is railways and canals only.

Mr. BROWN: The hon. member might make a comparison between the harbour expenditures in the west and in the east.

Mr. MacNUTT: I think I might present that to the hon. member at some future time, but not to-night. As the transportation question in Canada seems to transcend all other questions, I have recently secured a copy of an address given by D. A. McGibbon, Professor of political economy in the University of Alberta. This address was delivered before the agricultural society in Saskatoon on January 14, 1926. I have not the pleasure of an acquaintance with the professor. I do not know whether he is a Maritime province man or not, but in his address he told the people that logically and morally he believed the position of the people of the Maritimes was absolutely unattackable. He referred to four great transportation problems; first the demands of British Columbia that the railway should make very low rates to enable that province to handle all the grain of Alberta and western Saskatchewan; second, the agitation for the completion for the Hudson Bay route as a grain carrying channel; third, the project of

deepening the St. Lawrence to enable ocean going carriers to load at Fort William and Port Arthur, and fourth, the contention of the Maritime provinces that the people of Halifax and St. John should handle the Canadian grain that now goes out via New York, Baltimore and Philadelphia. I regret that this pamphlet is so long, because I would like to see it in the hands of every hon. member in this House who has not seen it. I will quote briefly a few portions of it. He says:

The facts that I have placed before you suggest a conclusion which may not have occurred to you. All these projects, in so far as they lean upon the government, in so far as they aim to divert trade, industry and capital from the courses they would naturally take under conditions of free enterprise, are part and parcel of a policy of protection. Many people in Canada identify protection only in connection with the policy of maintaining a protective tariff. But that is a mistake. A protective tariff operates to divert capital and industry into lines that it would not take if the government had not intervened. This is what all these transportation measures, directly or indirectly, propose to do. The bringing of transportation systems within the scope of economic protectionism is well known to students of the subject. The German authority Grunzel points out that in Germany before the war, "railway rates became not merely an auxiliary to protective duties, but in a still higher degree a means of encouraging exportations". The Germans manipulated railways rates to feed their own ports at the expense of their Belgian and French and Dutch competitors. Grunzel relates how Bismark exerted his influence upon the railways to make them "become instruments of government policy."

Of exactly similar import are the reductions arranged for on coal from Alberta to Ontario. The government has granted a sum of money drawn from the taxpayers of Canada to make these shipments possible. This sum of money is a bounty expended in the interests of encouraging home industry. The same thing is true of the government subsidizes a route to Europe via Hudson Bay, or a ship canal via the St. Lawrence, or by meeting deficits on the National Railways, due to its requiring them to carry grain exports at less than remunerative rates.

Then he proceeds:

The claims of the Maritimes.

This brings me to the complaints that are being registered by the cities of St. John and Halifax. Logically and morally, I believe their position is absolutely unattackable.

I will repeat that and emphasize it.

Logically and morally I believe their position is absolutely unattackable. Transportation ventures, all purporting to be for the national benefit, are being or have been subsidized right and left by our national government. On the basis of political promises, on the ground of transportation subsidies given elsewhere, in the very words setting forth the reasons for the construction of what are now the National railways, our sister provinces by the sea and the city of Quebec have the right to feel that their claims have not received full consideration. The promises which the people of Canada endorsed by the election of 1904 have not been implemented. . .

Nor can I agree with a former premier of Nova Scotia when he said that the grain growers of the west should ship their grain through Canadian Atlantic seaboard ports even though it cost them money to do so. That is too much to expect of human nature, nor is it in accord with the logic of economic protectionism, of which all these transportation ventures and schemes are a type.

This leads only to one conclusion. We cannot expect the Board of Railway Commissioners to order the railways to make rates that the latter can show are not remunerative in order to subsidize Canadian routes. Valuable as its function is, there are metes and bounds to what it can accomplish. The only way by which a volume of grain shipments might be set flowing to Canadian Atlantic seaboard ports is through parliament frankly subsidizing the route. The method of accomplishment would be: (1) to have the Board of Railway Commissioners make a thorough investigation and determine a rate that would not cause loss to the railways; (2) determine at what rates grain should reach tidewater in order to compete with the American range of ports; (3) the difference between these two figures would have to be made up by a rebate to the exporter using Canadian lines and seaports; (4) the burden of making these rebates would have to fall upon the Dominion treasury; (5) such rates should come into effect with the closing of the St. Lawrence river, and should remain available each year until the opening of that channel in the spring. This is the only method I know of by which the Maritime seaports may hope to share in a large way in the export of Canadian grain.

If the people of Canada wish to utilize their own ports this is the course they will have to pursue. Economic protectionism has been part of the policy of Canada for 46 years. The doctrine of the development through protection of infant industries has been preached incessantly—a subsidy to encourage the Maritime ports would be in accord with the logic of that policy.

I should like also to refer to a paper that came into my hands a few days ago. Hon. members can see it. There is this heading in two-inch, heavy type, block letters in the Boston Advertiser of March 31, 1926:

Secession Move in Maritimes

Separatist banner is likely to be hoisted on birthday of confederation.

The 59th birthday of Canada's confederation, on July 1, next, may see the banner of secession formally hoisted by the Maritimes provinces, if plans now afoot here mature according to schedule.

Secession rumours have stirred eastern Canada before now, and the issue of "Maritime rights" has been one of those most persistently to the fore in the present session of parliament. The movement now launched, according to its sponsors, is designed to fan the embers of unrest into an open flame, and to win complete fiscal autonomy for the provinces of Nova Scotia, New Brunswick and Prince Edward Island.

Geographic transportation conditions make it impossible for them to find a market for their exports in the other provinces of Canada and the present United States tariff closes the doors of that country to their produce.

Other planks in the secessionist platform are:

Complete control of the provinces' natural resources.

Provincial collections of all duties and excise, income taxes and other levies.

Control of all fisheries within the provinces.

Co-operation with the Dominion in military defence, postal services and navigation.

Contributions to the National railway deficit to be in proportion to mileage in the province.

Contributions to the national debt to be in proportion to population.

Appointment of a royal commission to investigate the grievances of the Martime provinces, was one of the promises made by Premier King at the opening of the present session of the Dominion parliament. But the secessionists declare that their grievances have been too long ignored; that the hour for investigation and negotiation has passed, and the hour for direct action has struck.

That is what is appearing in papers across the line. I am not a secessionist. I do not like the word. I do not believe that at present you can find a great number of secessionists in my province, but I believe we are to-day standing upon a volcano of public feeling in that province, a volcano which is liable to burst into eruption at any time. I plead with this government and ask that they recede from their present position in the appointment of a royal commission, act upon the suggestion of the hon. member for Labelle (Mr. Bourassa) and name a parliamentary committee before whom we can place the case for the Maritime provinces.

Mr. T. L. CHURCH (Toronto Northwest): Mr. Speaker, coming from Ontario I may say that no part of Canada is more interested in Maritime rights than the old province of Ontario. I am glad a party has risen up in this House to point out exactly what Maritime rights are. In the last parliament a group of members from the prairie provinces presented their case; members from British Columbia presented its case, but there were very few to present the case of the Maritime provinces. As I said before, we in Ontario are in sympathy with the claims of the Maritime provinces; but after all is said and done, if Ontario which pays about 46 per cent of the taxes of this Dominion, were to prepare a bill of rights—and dear knows Ontario needs a ginger group in this House—the other parts of the country would know that in some respects they are well off as compared with Ontario.

I admire the Maritime provinces; in fact I brought up a bill regarding coal and Maritime rights the first session I was in this parliament. The resolution before the Chair covers the whole phase of Maritime rights from the day they entered confederation, the contract entered into by them when they entered into confederation, which contract the Railway Commission of this country construed in a judgment as not making binding any special freight or passenger rates. The main industries of the Maritime provinces are the products of the sea, the soil, the forest and the mine. There is the coal industry, the steel industry, the lumbering industry, the fishing industry and I might add a fifth one, the agricultural industry and the fruit industry. A very fair statement of this bill of rights was presented by the hon. member for Inverness (Mr. Macdougall), and the hon. member for Digby-Annapolis (Mr. Short) in a very able address spoke about the fishing industry. The steel and coal industry was covered by the hon. member for Pictou (Mr. Cantley). The hon. member for South Cape Breton (Mr. MacDonald) referred to some of the legal phases of the matter and presented a very fair statement of what Maritime rights are.

It is all very well for this legislature to say 'What are Maritime rights?" and for the government to ask a deputation headed by the late Premier of Nova Scotia, Mr. Armstrong, what Maritime rights were. The Prime Minister asked the same question in the Maritime provinces, previous to the election. Without reading his remarks in full, the gist of his speech was that if he knew what Maritime rights were he would see what could be done. Every province in Canada is suffering economically to-day, and I contend that the solution for each is the great gospel of protection, starting with the Maritime provinces. There should be protection for the coal industry; protection for the steel industry; protection and safeguarding legislation for the lumber industry and for agriculture, to meet the changed conditions which confront the people of those provinces to-day. The people of the Maritime provinces have too much government; there is no reason why they should not unite into one great province for the upbuilding of that part of Canada. Canada is one of the most over-governed countries in the world to-day, and because of that fact we are greatly over-taxed. The way to look at these economic problems is from the confederation standpoint of bearing one another's burdens. We in Ontario would be glad to get coal from the Maritime provinces, whether by rail or by water; we would be glad to take steel from the Maritime provinces, as well as fruit, lumber, and fish. Ontario is clamouring for Maritime fish to-day, and we should get some supply from the Maritime provinces. They are ninety per cent a transportation problem.

All these problems could be solved if we only had men big enough to carry on the work. I said the other night, speaking of our country, that Canada always placed the wrong men in the right places, and the moment the right man is put in the right place, unfortunately the Lord calls him to his own. Many of the ills of the Maritime provinces have been due to the length of

office of some of the provincial governments, in power for thirty-four, thirty-five or thirty-six years, then the premier resigns and comes to Ottawa and an absentee landlordism is carried on in the government and the old work done by the former premier is continued, that of doing nothing. We had the same thing at one time in Ontario; the government of Sir Oliver Mowat was in power for a long time, thirty-three years. Sir Oliver Mowat was a very fine man, but without any vision. That government, however, was in power too long. They could never see the importance of the hydro and cheap power scheme, and in 1905 the last of the Niagara power limits in Ontario, were almost given away by the Ross government. If that had been done Ontario would have had no hydro electric system to-day. The hydro electric development has done more to assist the resources of the province than any other step ever taken, and what happened in Ontario should have happened in New Brunswick and Nova Scotia.

I do not believe commissions will help in the solution of these problems, whether a tariff commission or a commission to inquire into Maritime rights. The tariff, I hope, will always be in politics, and the responsibility for the tariff should be on the government of the day. This House is composed of 245 commissioners elected by the people to solve these problems, and we should not rely on a commission appointed perhaps for political reasons. It is not responsible government as I see it. What do the members of the Maritime rights commission know about conditions in the Maritimes? I venture to say that any representative of a Maritime constituency in this House knows a good deal more of that question than any of the gentlemen on that commission.

Since 1922 this government has had before it the question of a national coal supply, which has very largely to do with the Maritime provinces, and they have done nothing. The solution which I proposed, that of a national coal policy and of subsidies, subventions and bonuses, was voted down each year. As the hon. member for Pictou has said, this is the great question before the Maritime people to-day. If we put that industry on its feet the other kindred industries will be benefited also. The government, in the dying days of the session of 1923, after voting my motion down, brought forward a bill providing for subventions and subsidies of $200,000 to the coal industry, for the carrying of coal from Alberta and the Maritime provinces. Has that money been spent in the assistance of the Maritimes? Not one cent that year was sent in that way; it has all been devoted to bringing Alberta coal down to central Canada. Right Hon. Stanley Baldwin had a much greater problem on his hands. England was losing its steel and coal supremacy to Hamburg, notwithstanding the great difference between conditions in Germany and those in England. England was on the verge of a social revolution because of a contemplated coal strike which would have destroyed the British Empire, but Right Hon. Stanley Baldwin relieved the situation by introducing a bill which provided for bonuses and subsidies to the extent of $210,000,000, in order to bring the coal industry back to normal. That is the course which should have been followed by the government here in 1922; something should have been done in a practical way. One fifth to one fourth of the population of the Maritime provinces are engaged in the coal industry. This question should stay in politics until a solution is found, and there is nothing to prevent us from solving the difficulty during the present session.

I believe that the Maritime provinces, notwithstanding what the courts and the railway commission may decide legally, made an honest, just, fair, square and equitable arrangement under which they came into confederation, by which they were to have certain Maritime rights now referred to. We in the province of Ontario have certain rights, but we are content to see the other provinces get justice, for we continue to pay 46 per cent of the taxation of this country without getting anything in return. One of the most important agencies to solve our national problems is scientific research as applied to the products of the sea, the soil, the forest, and the mine. What are the universities in the Maritime provinces doing in that direction? Scientific research would aid the solution of Maritime ills.

As I said before, the Liberal party is very largely to blame for the conditions to-day in the Maritime provinces. The principles of protection are the only principles that can establish the foundations of economic unity between our various provinces. We in Ontario are willing to sacrifice something for the general good of confederation to help the other provinces. We had a similar state of affairs in our province and solved it by protection. If you want to see a monument of the efficacy of protection, look around at what it has done for the water powers of Ontario. If you want to see a monument of

this folly of free trade, look at what it has done for the natural resources of New Brunswick and Nova Scotia. For almost fifty years the natural resources of Nova Scotia were administered according to the principles of Adam Smith, as those principles were interpreted by corporations, corporationist Liberals, in Halifax with headquarters in Montreal. Private ownership grabbed all the water powers and coal resources in sight.

I believe our national railway system might be so operated as to help very considerably to solve the problems of the Maritimes. Is it to be operated for the benefit of the people that own the railway, or for the benefit of the American coal barons who have their headquarters in Philadelphia? A committee of this House dealt with the coal question and found that $7 a ton was a fair rate for Alberta and Nova Scotia coal. What happened? Nothing was done. Sir Henry Thornton after accepting it in two years openly repudiated the finding of the committee. He might as well have quoted a rate $15 or $25 a ton as $9, because anything over $7 is prohibitive and, as I contend, is a surrender to the American coal barons of the coal market of the central provinces and is a blow to the coal industry of Alberta and the Maritime provinces.

I believe in a national policy for the solution of all our problems. We mobilized our resources in war time with great advantage; it is equally necessary and advantageous to mobilize them in times of peace. We should mobilize our railways in peace time to develop our great natural resources. If that was done you would have the national railway system co-operating in the solution of these maritime problems. I entered the lists on behalf of the Maritime provinces with a fuel policy at my first session of parliament. I have never yet seen any reason to regret that action. I have advocated a national policy for the marketing of our coal, our grain, our fruit, and all our products. I support that policy to-day after a very close study of conditions in the Maritime provinces, which I had the good fortune to visit for a couple of brief periods during the war. I then reached the conclusion that there were never three provinces where Providence has done so much and man so little. In my opinion, protection for the Maritime provinces is not a luxury, it is a necessity.

10 p.m.

Our railways are Americanized to-day. Canadian grain is carried at preferential rates to the head of the lakes, where it is diverted to the port of Buffalo, although we have spent millions of dollars on our canal system in an endeavour to secure an all-Canadian route. Buffalo to-day has the cream of the milling business, not only of the United States but of Canada as well. We are losing that whole industry. The grain industry is not a north-and-south industry, as some hon. gentlemen to my left contend, but an east-and-west industry, and an overseas industry, with the product selling in the markets of continental Europe. I went into this question at length last session and discussed the elevator combine, the transportation combine, and the Great Lakes combine. There is now a merger of all Canadian and American boats on the Great Lakes, and the result is that our grain trade is being diverted to Buffalo, as a return that was brought down to the House on the 3rd of March last shows. If you take 150 as the unit, 100 per cent of our grain goes through United States ports, and only 50 through Canadian channels. I think that is a fair summary of the return that was brought down. The grain industry is one which could do a great deal for the Maritime provinces. In Ontario we used to have a chain of elevators in days gone by, but to-day there is hardly a terminal elevator in the whole of central Ontario. Why? Buffalo a few years ago had only a few elevators, but the whole elevator policy and grain policy of this country has resulted in the erection of twenty-eight big elevators in Buffalo to handle Canadian grain, as is set out in the report of the grain commission and has resulted in the great bulk of our grain going through American ports. The more you look into this thing the more clearly you see how the Maritime provinces have got the worst of it all along the line, through our grain not being routed through Canadian channels. Sir Henry Thornton has made somewhat of a superficial study of the question, and his conclusions are contrary to those of the grain commission which studied this particular problem. If there is any industry in this country which should be under a national policy, it is the grain-growing industry. The United States is a grain-growing country; it grows far more than it can consume itself; it consumes only little more than half of its crop and has an exportable surplus of about a third of its crop. We consume a little more than that, and it is the price obtained for the exportable surplus which by the economic law of supply and demand determines the price for the part used at home. What has been the result in Canada? Canada's grain crop should go through Canadian ports under adequate protection

and by Canadian railways. Buffalo has twenty-eight elevators to-day as a result of the folly of such an anti-Canadian grain policy. The industrial department of the city of Buffalo, in its advertising, speaks of the great boon the present grain policy of Canada regarding grain has been to that port. It has built up the port of Buffalo, and built up traffic on the Erie barge canal. Instead of our grain going to Port Colborne and then to Montreal, it goes to Buffalo and New York and Baltimore, where in violation of the law and by a bootlegging policy it is mixed with American cheap grain and milled, whence it goes out in the form of flour, under certificate, to Europe as No. 1 grade. The United States has captured not only the oversea grain trade of Canada, but the oversea market for the milling trade as well, and the solution of this grain and milling problem and the development of the industry on an embargo principle in this country would pay off the deficit we have on the National railways of fifty to sixty million dollars a year. The Buffalo papers for the past few months have carried columns of printed matter wondering if at this session anything was going to be done to divert Canadian grain through Canadian channels by placing an embargo on hard wheat as recommended by the grain commission. According to a report of the American Shipping Board published in the Toronto Globe this morning, about 25 per cent less grain is now going through United States channels than last year. That has been diverted to Canadian channels as a result of the educational campaign that has been conducted in this House in the matter of a grain embargo during the last four sessions. Secondly, it has been due to the invasion of new blood, the sixteen new members in this House from the Maritime provinces.

The coal problem is also connected with this question. Coal should be carried on the same preferential rates as grain and flour, for after all is said and done, coal is equivalent to food, because nothing on the breakfast table can be prepared as food without the use of coal. You can do without a meal, once in a while but you cannot do without fuel in winter time; we have to burn coal for six or seven months in the year. I have proposed to this House that we should have a national policy on coal, and that the government merchant marine and the National railways should be mobilized and utilized to put this policy into effect. Nova Scotia had a Liberal government for thirty-four years, but did you ever hear of the legislature of Nova Scotia making any attempt to solve this coal problem until the new government came in? Did they send any delegation here last year when the Conservatives brought this matter up? Premier Armstrong prepared a learned memorandum in which he spoke of the evils of this particular problem. I would urge that a system of bonuses, subsidies and subventions, be applied to the coal industry. We have the president of the Canadian National Railways, and its dummy board meets now and then; it looks to me more like the board of a Liberal campaign fund than a board of railway directors. Some of them do not know any more about running a railway than they do about running a movie theater. The people of Canada are disappointed in the management of the National railways to-day. We have spent nearly two billion dollars on the National railway system to help solve our problem, and we are disappointed with the result.

Where does the railway commission stand to-day? I have not heard of them. They are supposed to investigate freight rates as applied to Maritime rights of their own volition. The Railway Act requires them to prevent unjust, unfair, and undue discrimination between localities, and lays down the principle that there shall be equality of treatment, that preference shall not be given to one product at the expense of another. A railway must be operated to provide, first, sinking fund and fixed charges on the investment; secondly, it must make operating expenses; thirdly, a reasonable dividend on the investment; fourthly, provide, if possible, a sum for betterments and extensions. The basis of all rate structures in this country is the Crowsnest pass agreement. Who is responsible for that bungle? The Liberal party. Who is responsible for building the Grand Trunk Pacific, and for the deficits on the National railways? Who is responsible for building the National Transcontinental, when one transcontinental with a double track would have been sufficient for our needs? The Liberal party. The Right Hon. Mr. Fielding, a man for whom we have the utmost respect, went up and down the Maritime provinces during that National Transcontinental campaign and promised that grain would be routed through Canadian channels and that the Maritime provinces would come into their own when that railway was built. What happened? I venture to say that we would not have had the railway bungle we have in this country to-day if Sir William Mulock and the late Mr. J. F. Lister had had their way. They attacked the Laurier-Sifton

proposals for the construction of the Crowsnest pass railway. Sir John Willison for weeks and months carried the slogan across the front page of the Globe, "Concessions for Concessions," representing the maximum rates proposed in the Crowsnest pass contract as then, in 1897, and forever applicable to shipments from every point on the Canadian Pacific system in Canada. The Crowsnest pass deal was put through by the Liberal party and from that day forward freight rates were fixed by statute, preferences given, and a political rate structure established. The enactment of that legislation was the greatest mistake this country ever made. It is responsible to-day for a great many of the transportation ills from which this country is suffering. It is the basis of the political railway rate structure of Canada from coast to coast. We have always had a political railway rate structure in this country. We have not yet, and never have had, an economic rate structure. The railway commission is not competent to create an economic rate structure because this parliament has seen fit, since the inception of the Crowsnest pass agreement, to fix rates on some products and not on others, and establish certain tolls by legislation at the expense of others, for instance on grain and flour from the west to the head of the lakes. Who pays for this? The central provinces of Canada. The railway commission is not in a position to-day to solve this problem as long as the Crowsnest pass legislation, or any part of it, remains in force with all the evils flowing therefrom. I believe this unfair legislation is one of the reasons why the Maritime provinces are suffering from the discrimination pointed out by the hon. member for Pictou (Mr. Cantley). I have copies of the railway tariffs and codes which have been passed for the last ten years and I can corroborate every word the hon. gentleman has said not only as regards the rates on steel and coal but also as regards those on fruit, lumber and agricultural, and other commodities carried between the head of the lakes and the city of Sydney, between the head of the lakes and Halifax, between Hamilton and Montreal, and between Hamilton and the seaboard. Between these points the greatest discrimination exists.

Instead of having a proper regulation of rates and a fair rate established as between one city and another, certain basic products have been selected for a preference which has been given certain parts of Canada at the expense of the rest of the Dominion. Not only has the hon. member for Pictou spoken in an absolutely correct manner, but the statements made by the representatives for Inverness (Mr. Macdougall) and Digby-Annapolis (Mr. Short) are entirely accurate. Reasonable and equitable rates are necessary in the interest of the great fishing industry of the Maritime provinces, as well as other industries, but instead the worst discrimination exists.

A proper solution of this rate problem would bring the producer and the consumer together in a mutually satisfactory manner, and meet the existing difficulties in a variety of ways. The province of Ontario has by cheap light and power solved its problems by protection in a very satisfactory manner. For thirty-four years the needs of the situation in the matter of cheap light and power were overlooked by the various provincial Liberal governments there, but the Liberal party could see nothing and had no vision in Ontario. It remained for the government of the late Sir James P. Whitney and the late Sir Adam Beck to take action and they handled the situation in a manner which has made Ontario the admiration of the world. The following are some of the results which have been achieved by the hydro in Ontario:

1. Every dollar of the $160,000,000 Hydro investment is earning interest and sinking fund.
2. Hydro investment saved Ontario from a coal famine that would have bankrupted the province in war time.
3. Hydro investment saved 2,200,000 shareholders over $75,000,000 in reduced coal, light and power bills.
4. Hydro investment saved Ontario over $100,000,000, on coal prices which would have gone to $30 per ton in war time but for the Hydro investment that gave Ontario the equivalent of 3,000,000 tons of United States coal per annum.

If Ontario can solve its problems through the Hydro-Electric Commission why cannot the Maritime provinces do the same? The hydro-electric policy involves the protectionist principle. It is protection in the truest sense; it means utilizing the public resources of a province for the benefit of that province. The hydro has fought in Ontario the battle of the masses against the classes. If the principle involved in the policy of the Hydro-Electric Commission of Ontario in the conservation of its light and power resources had been applied to the Maritime provinces, those provinces would have developed their coal mines, power, and timber instead of giving those resources away to political favourites. I say to hon. gentlemen from the Maritime provinces: Do not blame everything on the central provinces of the Dominion, do not blame everything on the confederation pact. The people of Nova Scotia kept in power for thirty-four years a Liberal administration that

gave away its resources to be developed for private greed and private gain. The Maritime provinces would have had a place in the sun long ago if the people had looked after their resources and conserved them. If the principle of protection were applied to the development of the power, coal, fisheries and lumber resources of the Maritime provinces it would solve the existing problems almost automatically. After all Providence only helps those who help themselves. The people of those provinces have only themselves to blame for not working out the solution of their problems on the protective principle and in the manner I have indicated.

I wish now to say a word or two about the way in which the Canadian National Railways have been Americanized. The passenger and to some extent the freight rates from St. Louis and Chicago, and points beyond that as far as Minneapolis, to Montreal, are only about one-third of the rates from Toronto, Hamilton and London to the same port. In other words, under the auspices of this parliament, and of the board of management of the system, the Canadian National Railways are being operated for the benefit of foreigners at Rotterdam and other cities in Europe and America and for the benefit of cities and towns in the United States. Sir Henry Thornton would rather quote a price like $9, $10 or $15 a ton for the carriage of Canadian coal, in order to permit the Philadelphia coal barons to get the cream of the business, than quote a rate of $7 in the case of Alberta coal and $4 in the case of coal from the Maritime provinces and solve some of confederation's problems. If the latter policy were pursued, Alberta and the Maritime provinces would get the cream of the Canadian coal business rather than the American coal barons.

In addition to that, the United States branch lines of the Canadian National railways are being operated in such a way as to divert trade to Portland and other American ports. The Canadian shippers are not to blame. They must obey the railway laws of this country. That those laws are what they are to-day is the fault of the present and past Canadian parliaments, and the parliament that preceded the present one, in erecting in Canada a political rate structure instead of an economic rate structure. We believed in mobilizing the resources of our railways and transportation systems in time of war. Why do we not do the same in peace time? Surely we should do that in order to protect our industries,, our people and our markets from foreign competitors. Why was an elevator built at Halifax if there was no grain to put in it? Why have we spent about 2 billion dollars in building railways for the benefit of the United States, the highest protected country in the world? The condition in the Maritime provinces is very largely due to the fact that they have not had a safeguarding of industries act, and consequently their industries have not been properly protected. If they had had a Stanley Baldwin in the Maritime provinces during the thirty-four years of Liberal administration, he would have accomplished something for the provinces and would have done a great deal to protect their resources and their products. The Maritimes want an economic revival and a revivalist to lead it. What the Maritime provinces require is an act for the safeguarding of industries and protection. But what has happened? Instead of this government attempting to solve the problem in a rational way they have made a football of it. I do not know what this Maritime commission has been appointed for. What is the commission to do? To find out what the Maritime rights are? The members of the government can easily ascertain what those rights are if they read the speeches of hon. members from those provinces on this side of the House.

The former Premier of Nova Scotia, Mr. Armstrong, seemed to find out very suddenly what Maritime rights were. He came up to Ottawa previous to the election and found out what the Maritime rights were, and he presented his bill of rights. He refers to the question of coal, steel, fisheries, lumbering and all the other matters relating to the provinces. If I understood the reports in the papers, he was told that the government of Canada did not understand what Maritime rights were. I think however, they have had a better idea of those rights since the 29th of October.

I believe the provinces of central Canada desire to trade with the Maritimes, and they think it would be much better for confederation if they would. The quicker the railway commission, of their own volition, settle these problems for the Maritime provinces, the better for Canada. That would be far better than waiting for this government to take action. The career of some of the Liberal prime ministers and statesmen who came from the Maritime provinces to this House after having enjoyed cabinet rank in the provincial legislatures, is not reassuring. They have made a great success, perhaps, in finding material for speeches and in delivering speeches, but they have been about the biggest public failures in Canada when it came to doing anything in the way of practical policies

for the Maritime provinces. I have seen them administering the affairs of the Maritime provinces, and they have treated the resources of the Maritime provinces as they would a Christmas tree; and made handouts off the Christmas tree—to all the big interests. Of course, they took the coal resources off the Christmas tree and grabbed many other things, such as power, timber resources and water-powers. They played Santa Claus for 34 years to the resources of the Maritime provinces, the timber wealth and the fisheries, and in fact I might say the products of the sea, the soil, the forests and the mines were given away in hand-outs. They handed these resources to whom? To a commission on public utilities? No, they handed them over to the big interests and party favourites. They transferred many of these interests to Montreal, and the big interests took charge of them there. These Liberal provincial premiers Ottawa bound—abound in public speech, but as a result of their work for forty years in the provinces, those provinces are not a dollar richer or have an additional inhabitant. They have been ruled for thirty-four years by a sort of non-apostolic succession of rulers and premiers and now that apostolic succession of Liberal rulers has been displaced. They believed they could make Nova Scotia rich by the free and unrestricted distribution of the coal, the power and other resources of the province to favourites and by giving preferences. They did and they were mistaken. They have handed out all these resources to the big interests in Montreal at the expense of the Maritimes. They have carried on this principle of handing out these resources, not only the coal but the other valuable assets; even the banking system—everything—has been sacrificed for the big interests. Talk about banking! Who is responsible for the bank legislation? Two or three of the finance ministers came from the Maritimes. What did they do? They allowed the solicitors of the Bankers association to draft the Bank Act and as drawn up it was never enforced or carried out. You cannot blame central Canada for that. Blame your own statesmen who could prepare and make speeches but could not create a policy for their province. We have had many mergers of banks, and we have seen the actions of those big interest companies which had control of the coal and other Maritime industries. They have had coal strikes, lock-outs and other calamities as a result. Talk about agriculture! What did the Liberal Premiers of Nova Scotia ever do down in those provinces for agriculture or lumbering?

[Mr. Church.]

What was done in the last parliament in the way of bill of rights? Nothing that I know of. We have had a debate annually in this chamber for three years in regard to the national coal supply. Did we ever get any help from the Premier of Nova Scotia or from any of his ministers in regard to the coal question? No resolution was ever sent here to help us along.

I am glad this question has come up. While we have many problems in Ontario, we are getting practically no help in the way of a tariff—all is nibbling and reducing and uncertainty of tariffs. We have had a very uncertain tariff for the last few years, and we have had a reduction of the tariff which has had the result of closing many industries. Ontario is badly in need of protection for its basic products and industries. We could very well present a bill of rights from Ontario. I do not know of any province which is suffering more on account of the transportation problem than Ontario. They talk about Ontario getting the Grand Trunk Pacific. They did not want it. The province of Ontario had to build the Temiskaming and Northern Ontario railway themselves, and this was a work for the general advantage of Canada. They will have to build their own railway to James Bay. Ontario did not want the duplication of three National Transcontinental or three or four lines also Toronto to Belleville where one line with a double track would have been sufficient.

Sir William Mulock and other prominent men opposed the system of Crowsnest railway construction which produced railway chaos in rates. I approach this question with a feeling of sympathy with the Maritime provinces. What would Canada have done in time of war, were it not for the Intercolonial? It was all right to have a national railway to the Maritime provinces in time of war, to transport manufactures and goods to the seaboard. But when the war was over they soon forgot all about it. During the war the people were glad to have the British fleet to protect our shores and our Maritime ports, but as soon as the war was over they were glad to forget all about it and do nothing to contribute for all this protection and Maritime freedom.

The solution of this problem is not by means of a commission. I have lost confidence in any commission appointed by the government. We have not got responsible government in this country to-day. Problem after problem is side-stepped and handed over to commissions. I never knew a commission in Canada yet to accomplish anything, except one, and that was the commission which solved the light and power problem of Ontario and

created a surplus for every municipality. I refer to the Hydro-Electric Power Commission of Ontario. The railway commission got lost during the last two or three years. They were appointed to fix rates, and they have had the cases of the Bell Telephone and the express companies and other public service corporations before them, but what did they do? These companies come down and ask the railway commission to increase rates and presented figures to the commission. The commission practically took their figures as gospel and increased rates were allowed and granted. They took their figures of expenditures, and so on. They might just as well have allowed the companies to make their own tolls and fares and their own rates. Instead of the railway commission having long ago solved the problem of equality of rates and preventing unjust, unfair and undue discrimination between localities and provinces, they have done nothing of their own volition to carry out the functions for which they were appointed by this honourable House.

In conclusion, I congratulate the mover of the resolution, I congratulate the Maritime provinces on having been led into a revival and on having sixteen revivalists here in parliament to waken up the people of this country and parliament to do something practical for the people of the Maritime provinces by adopting a policy of protection to remedy Maritime ills. A policy of protection for all the provinces from coast to coast is the only thing that can solve our economic ills and bring about a better understanding among the different provinces that go to make up this British confederacy of Canada.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to join with my friend and colleague the Minister of National Defence (Mr. Macdonald) in expressing appreciation of the attitude in which this resolution has been approached for the most part by all hon. members who have thus far spoken upon it. The debate throughout the day has been conducted largely without partisan spirit. Hon. members have recognized that the subject is one of the most important with which our country is concerned and with which parliament can be called upon to deal, and doubtless this fact has influenced the addresses which have been made in the course of the day. One is bound to feel that hon. members of the House have at heart first and foremost the interest of our great Dominion and not less a desire to show to our friends in the Maritime provinces that, in so far as we come from other provinces in the Dominion, our attitude towards the Maritime provinces is a wholly sympathetic one.

This question of Maritime rights or of the just claims the Maritime provinces may have is not a question to be viewed from the standpoint of Conservative or Liberal, of government or of opposition. It is rather a matter between the Maritime provinces and the other provinces of the Dominion. I think the essential feature of it is that in so far as it is a question at all it is a question of the other provinces of the Dominion joining in a wholehearted way in an endeavour to have the Maritime provinces feel that, as they are a part of confederation, every effort should be made to see that their rights in confederation are implemented to the letter and in full.

If it will help at all to take this resolution out of the realm of possible partisan discussion, I should like to go one better than my hon. friend the member for St. John-Albert (Mr. MacLaren) who has seconded the resolution. He said that he hoped this motion would be pressed to a vote and that the House would approve the resolution as it is drafted. I should rather hope that it will not be necessary to have a vote and that the House will express its approval unanimously of the resolution which has been moved and which he has seconded. The resolution is one which in my opinion the House should unanimously accept.

Mr. MacLAREN: My suggestion was a vote and naturally a unanimous vote, I hope.

Mr. MACKENZIE KING: I hope it will not even be necessary to take a vote and that the House will so express itself that there will be no opposition to the resolution. The resolution reads:

> That, in the opinion of this House, good faith should be kept with the Maritime provinces and other interested parts of the Dominion in regard to the recorded assurances and undertakings of governments and parliament and the agreements set out in the statutes of the Dominion respecting the routing of Canadian trade over Canadian territory and through Canadian ports, and, that freight rates over the Intercolonial railway be adjusted in accordance with the understanding of confederation.

I venture to say that every hon. member wishes to have good faith kept with the Maritime provinces in regard to any recorded assurances and undertakings of governments and parliaments and any agreements that are set out in the statutes of the Dominion. I cannot conceive of any hon. member expressing himself in terms other than those that are there expressed. Similarly I cannot conceive of any hon. gentleman expressing himself with respect to freight rates over the Intercolonial, other than that they "be adjusted

in accordance with the understanding of confederation"; I would not restrict that clause to the matter of freight rates. I should be inclined to say that any understanding that was genuinely such at the time of confederation should be carried out, and I think it would be the wish of all hon. members from provinces other than the Maritime provinces that such should be the case.

If we accept the resolution in that spirit, the matter that then presents itself is that we should agree upon just what are the specific undertakings of governments and parliaments that are not being carried out and also upon what are the understandings of confederation with respect to freight rates or other matters which are not being carried out. If that be the case, how can we best arrive at a decision upon those points? The government has carefully considered that phase of the matter, and if we had believed that a decision could be more readily arrived at by referring these matters to a committee of this House than by referring them to a royal commission, we would have adopted the former course. But considering very carefully and thoughtfully in what atmosphere a calm and judicial decision could best be given on a matter which must be decided in that way, the government felt that its duty towards the Maritime provinces would be best performed if matters of the kind were referred to a royal commission for a report to parliament, so that action might be taken upon specific recommendations that might be made. That was the reason why the government adopted the policy of referring these questions to a royal commission.

Having decided to refer the matter to a royal commission, the government felt that the next object to be attained was to see that the personnel and the scope of the commission were of such a character as to inspire confidence in the expressed desire of the government to do what was right to all concerned. With respect to the personnel of the commission I think I am right when I say that hon. members in referring this afternoon and evening to the commission have, on the whole, expressed approval of the government's selection. True, there has been a modified expression of view with respect to one or two of the members of the commission. I certainly think that with regard to the chairman, every hon. member who has spoken, if he has alluded to the commission at all, has expressed himself in a way which would leave the impression that it would have been difficult for the government to have made a better choice. In making any choice, no matter what the choice was, there was bound to be some limitation in some direction, but we felt that above all else we should aim at getting as chairman and members of the commission gentlemen who would be considered by our Martime provinces friends and by members from the other provinces likely to be as impartial and fair as men could be expected to be. In this connection it might be noted that Nova Scotia, one of the provinces concerned, has been dealing with some of these problems which are all-important in the Martime provinces as a whole. The Premier of Nova Scotia, one who in politics is of the same persuasion as hon. gentlemen opposite, in seeking to choose a chairman who would inspire confidence in his province as between the different parties concerned in a matter which was in dispute, and which affected in an immediate way the interests of the entire province, took what seems to me the very admirable step of asking the British government to designate a gentleman who would be most likely to serve with satisfaction as a commissioner in dealing with questions of industrial controversy. The British government named Sir Andrew Duncan—a gentleman of wide experience in industrial matters and one standing high in his profession as a lawyer—as a gentleman whom they believed might be expected to carry out the particular commission with which he might be entrusted with satisfaction to the province concerned. There is no longer a question whether Sir Andrew Duncan did his work in a satisfactory manner. The government of Nova Scotia has since placed itself on record in regard to the manner in which Sir Andrew Duncan performed his task. I have in my hand a copy of the Speech from the Throne which was delievered at the opening of the legislature of Nova Scotia on February 9 of this year, and among other paragraphs it contains the following:

> A royal commission of inquiry was thereupon constituted, His Majesty's government being asked to nominate a chairman. A complete investigation of all conditions affecting the coal mining industry was made and the recommendations contained in the commission's report have been accepted by the corporation and by the representatives of the men. This is a matter of great satisfaction to government and people presaging as it does an era of peace and prosperity for this basic industry and those dependent upon it. The terms of reference and findings of the commission will be placed before you.

Those are terms of commendation which cannot be misunderstood. The government which appointed the commission states that its report presages an era of peace and prosperity in the particular industry with which it was called upon to deal. The facts speak for themselves, that in a matter of great con-

troversy the findings of the commission were accepted by the two parties to the controversy.

Those in brief are the reasons which led the government to seek to obtain the services of Sir Andrew Duncan for this commission, to inquire into not only one grievance of a particular province, but rather into the larger series of questions embraced under the general heading which is used so frequently, namely Maritime rights. I think, Mr. Speaker, the House will agree that in asking Sir Andrew Duncan to undertake this work as chairman of the commission, the government has shown its sincere desire to deal with this question in a non-partizan way, and in a manner which will inspire confidence on the part of all concerned.

In the consideration of the other commissioners I confess there was some discussion as to whether or not, in the interests of the Maritime provinces, it would be advisable to have Maritime province representation on the commission. There is much to be said both for and against the wisdom of having, on a commission to deal with matters of the kind, gentlemen chosen from the provinces concerned. After weighing the matter carefully the government concluded that it would be advisable to have at least one commissioner selected from the Maritime provinces, but it was also thought advisable in making the selection to choose someone who had been removed from the arena of party controversy for many years, and who might be expected to bring to bear on the matters before the commission a judicial temperament and attitude. For that reason His Honour Judge Wallace was selected as one of the Commissioners. As respects the third commissioner the government felt that in securing the services of Professor Macmillan of McGill university, it was again choosing a gentleman who was not likely to be swayed in his examination of the matters into which he might inquire by party prejudice or passion, but rather one whose training, being academic, in character, was calculated to give him an unbiased and unprejudiced attitude. Those who know Professor Macmillan will agree that he is a gentleman who has given a great deal of thought and consideration to this very problem of the rights of the Maritime provinces under confederation. I at least have been led to believe that he has made a very thorough study of that particular aspect of this great problem. It is true that he is a college professor, and has many of the characteristics of the scholar and man of research, but he is also very much a man of action and a man of affairs. During the war he was major in command of the Sixth Siege Artillery of St. John, and he has identified himself with public matters in a large way. Professor Macmillan may be expected, I think, to be most helpful on the commission.

These are the three gentlemen to whom the government has referred for inquiry and report the important questions embraced under the heading of Maritime rights. Undoubtedly any commission which might be appointed will have its limitations, but I submit, Mr. Speaker, that having regard to the difficulties the government has experienced in making any choice which we felt would commend itself as nearly as possible to all concerned, we have secured a commission which I believe will command general confidence, and which will do its work thoroughly and well.

Having selected the personnel of the commission, the other matter of main consideration was the scope of its work. I shall not take up the time of the House by reading the order in council, which sets out the matters which are referred to the commission. I would like the order, however, to be a matter of record, and with the permission of the House I shall place it as it has been drafted on Hansard, without taking time at the moment to read it. The order in council is as follows:

The committee of the Privy Council have had before them a report, dated 6th April, 1926, from the Right Honourable W. L. Mackenzie King, the Prime Minister, submitting that representations have from time to time been made on behalf of the people of the Maritime provinces by resolution passed by the legislature of Nova Scotia, by boards of trade and other public bodies and by their representatives in parliament and the various legislatures, that the interests of the Maritime provinces have suffered as a result of certain legislative and administrative measures adopted from time to time by successive parliaments and governments of Canada. Such representations relate more particularly to the alleged failure to use Canadian ports for Canadian trade to the extent to which they might be utilized, and to the handicaps said to result from the operation of the schedules of rates chargeable for the carriage of goods on the railways uniting the Maritime provinces with the other provinces of Canada and to the manner of administering that part of the Canadian National Railways system which was formerly known as the Intercolonial Railway by methods and conditions alleged to be inconsistent with the pledges given at the time of confederation in regard thereto and with the practice followed from the time of the construction of the railway until December, 1918. These representations have also been directed to the effects of the customs, immigration and other economic policies adopted by successive governments, of certain financial measures, and of the disposition or allotment to provinces of public lands of Canada, and it is alleged that at the time of the consummation of the confederation certain pledges were given that such measures would be undertaken and such policies pursued as would insure for the future a satisfactory economic position for these provinces and that these pledges have been disregarded

as a result of which the Maritime provinces have not shared in equal measure the prosperity enjoyed by the Dominion as a whole.

The Prime Minister is also advised that on the twelfth day of March, 1926, the Premier of the province of Nova Scotia presented to the Legislative Assembly a resolution to the effect that his Government is engaged in preparing a memorandum setting forth in detail the claims of that province with the object in view of seeking such adequate redress as will insure a return of contentment and prosperity to the people of that province.

The Prime Minister observes that it is most undesirable that any section of the peaple of the Maritime provinces should entertain the opinion that their interests are being knowingly prejudiced, and that the public interest requires that every occasion for the existence of a feeling of grievance should, if possible, be removed.

The Prime Minister submits that, in order to determine how this can best be done, it is necessary that there should be an inquiry into the representations set out above, and into the claims set forth in any memorandum that may be presented in pursuance of the said resolution by the government of Nova Scotia or in any memorandum on behalf of the governments of New Brunswick or Prince Edward Island and into representations that may be presented to the federal government or to the commission to be hereafter named relative to the conditions and claims of the people of the Maritime provinces, and that an examination from a national standpoint of all the factors which peculiarly affect the economic position of the inhabitants of the provinces in question should be made and that upon the results of such inquiry and examination there should be based specific recommendations which in the opinion of the commissioners would result in affording relief from the conditions complained of.

The Prime Minister recommends that, for the purpose of making such inquiry and examination and formulating such recommendations a royal commission be constituted under part 1 of the Inquiries Act, such commission to have the special authority specified under section 2 of the said act, and to be composed of the following persons, namely:

Sir Andrew (Rae) Duncan, Kt.

His Honour W. B. Wallace, Judge of the County Court, District No. 1, Province of Nova Scotia.

Professor Cyrus Macmillan, M.A., Ph.D., McGill University.

of whom the first-named shall be chairman.

The Prime Minister further recommends that the commission be instructed to make its report as speedily as possible.

The committee concur in the foregoing recommendations and submit the same for Your Excellency's approval.

Hon. gentlemen reading that order in council will see that the government has had in view the embracing within its scope whatever subjects are likely to be considered by the Maritime provinces themselves as those to which they attach the greatest importance. The hon. member for York-Sunbury (Mr. Hanson) drew my attention some days ago, as he may remember, to a resolution which was being prepared by the legislature of Nova Scotia, and asked whether the government had taken cognizance of the fact that the government of Nova Scotia was itself preparing a statement of those matters which it felt to be all-important to the Maritime provinces. I told the hon. member then that I did not like to divulge the terms of the order in council in full, but that I could assure him that that resolution, and whatever its contents might be, would be one of the matters submitted for consideration to the commission. He will now find in this order in council—which, by the way, had been drafted before his question was asked—that that resolution is one of those which will be referred to the commission. It has been read in full this evening by the hon. member for Colchester (Mr. MacNutt) and I submit again, Mr. Speaker, that in thus including the resolution in the terms of reference, the government has given ample evidence of its hope that the provinces will bring forward in a concrete way the particular matters in which they feel they have a grievance, and also of its desire to see that those questions are given the consideration and careful thought to which they are entitled.

The hon. member for St. Lawrence-St. George (Mr. Cahan) spoke of the necessity of having the policy of the government stated before the commission was appointed; he said that it was desirable to have the commission know the point of view from which the government or parliament would wish to have these matters discussed. May I in passing thank him very cordially for the generous manner in which he referred to my interest in this matter and to his belief in the desire of the government to see that the question was dealt with in the fair and honourable way that so great a national question should be dealt with by the government and by parliament.

I agree with my hon. friend as to the importance of the royal commissioners being made aware of the principles which we expect shall govern. I am not so sure about the use of the word "policy," because I think there is apt to be a very considerable difference of view between some hon. gentlemen opposite and some on this side as to what is the best policy on some matters—for instance, trade and tariff—in the Maritime provinces as elsewhere in the Dominion. What I think my hon. friend had in mind was a statement of policy, using that term in its broadest sense, perhaps, more accurately the word which he himself first used, namely the "principles" which should govern the commission in dealing with the matters referred to it. I will not take up the time of the House in discussing the principles generally, but with respect to the two matters referred to in the resolution, I submit, Mr. Speaker, that the government has already made very clear what principles it wishes to govern. The first is with respect

to the routing of Canadian trade over Canadian territory and through Canadian ports. My hon. friend from St. John-Albert (Mr. MacLaren) asked if the government would notify the National railway management as to its policy in that regard. Well, I cannot think of a more emphatic manner of enunciating policy than that it should be embodied in the Speech from the Throne. In no uncertain terms the government's policy in this particular was read by His Excellency at the opening of this very session. I will read the clause:

In pursuance of the fixed policy of the government to encourage the movement of grain and other Canadian products through Canadian ports, the Board of Railway Commissioners has been instructed to include in the general rate investigation now in progress, a special inquiry into the causes of diversion of Canadian grain and other products through other than Canadian ports, and to take such action under the Railway Act as it may deem efficient to ensure as far as possible the utilization of Canadian ports for Canadian traffic.

Mr. MacLAREN: May I point out, Mr. Speaker, that I referred to the Canadian National Railway board, not to the railway commission?

Mr. MACKENZIE KING: But this is an instruction from the government to the commission which has the control of railway rates and is the proper body to deal with the rate question. If the Canadian National railway is not carrying out the policy of the government in this matter, it becomes the duty of the railway commission, when so instructed by an order of the government, to see that that policy is carried out. A word from the commission should be much more effective than any communication from the government itself to the management of the National railways. Nothing could be more emphatic than the words "the fixed policy of the government." It is not some chance assertion of policy. Our desire is that the railway commission, the railways, in fact, everyone shall realize what the policy of the government is—namely, that we wish to encourage trade over Canadian railways east and west, and that in particular we wish to encourage Canadian trade via Canadian ports. That is the fixed policy of the government and our hope in connection with the enquiry before the railway commission and before the royal commission is that that policy will become more firmly emphasized, and as a consequence more effectively carried out as opportunity offers.

Now, I am not aware that the House has had before it up to the present a copy of the order in council which refers this matter specifically to the railway commission. I will therefore read it to the House. It was approved on January 7 of this year and is in these words:

The Committee of the Privy Council have had before them a report, dated 6th January, 1926, from the Minister of Railways and Canals, representing that the Committee of the Privy Council has had under consideration the advisability of encouraging to the fullest extent the movement of Canadian grain and other products through Canadian ports.

The minister states that by order in council (P.C. 886), dated 5th June, 1925, the Board of Railway Commissioners for Canada was directed to make a thorough investigation, already under way, of the rates structures of railways and railway companies subject to the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries, and in particular to:

(a) the claim asserted on behalf of the Maritime provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;

(b) the encouragement of the movement of traffic through Canadian ports;

(c) the increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama Canal.

The Committee of the Privy Council therefore recommends that the Board of Railway Commissioners for Canada be directed, as a part of the general rate investigation above referred to, especially to enquire into the causes of Canadian grain and other products being routed or diverted to other than Canadian ports, and to take such effective action under the Railway Act, 1919, as the Board of Railway Commissioners for Canada may deem necessary to ensure, as far as possible, the routing of Canadian grain and other products through Canadian ports.

There is a statement of policy, Mr. Speaker, which is unequivocal and leaves no room for doubt. It refers to a general rate investigation, which is a larger matter that the board entered upon some time ago. As an evidence that this rate investigation is likely to be helpful to the Maritimes and is the proper way of proceeding, may I again refer to the speech from the throne which was delivered by His Honour the Lieutenant-Governor at the opening of the Nova Scotia legislature on February 9 of this year. Paragraph 12 reads as follows:

During the past summer an agreement was entered into with the governments of New Brunswick and Prince Edward Island to engage jointly the services of an expert to prepare a statement of facts in connection with railway freight rates affecting the Maritime province, to be submitted to the Board of Railway Commissioners for Canada. I am informed that certain changes in rates as a result of these efforts have already effected a considerable saving to shippers in these provinces.

There is a statement made by His Honour the Lieutenant-Governor of Nova Scotia only

a few months ago with reference to a result already achieved through representations made by a solicitor retained by
11 p.m. the Maritime provinces to appear before the Board of Railway Commissioners for Canada and argue for their rights with respect to freight rates.

So, Mr. Speaker, I submit in relation to the resolution which has been moved and seconded, and which contains the reference to freight rates over the Intercolonial and their adjustment in accordance with whatever understandings there may have been at the time of and as a part of confederation, that in expecting this matter to be dealt with by the railway commission, and in particular by instructing that commission to pay special attention to this very question of routing Canadian grain and other products over Canadian railways and through Canadian ports, the government has taken the course which, if any course at all is calculated to bring about the desired result, is the one that may be expected so to do.

I might take up considerable of the time of the House by making further references to the desire and action of the government to meet the Maritime provinces with respect to matters which are of great concern to them. I would submit that this reference to the commission of certain matters is only one part of the work of the government in that regard. Last session I recall making a strong appeal to members of the Progressive party in this House to support the government in an effort to raise the tariff on bituminous slack coal, mainly because of a desire to help in the Maritime situation. I think it is permissible to refer to a debate in a previous session, though not to one in the same session, and I would like just to remind hon. members of the House of what I said at that time. This government was not standing for any general increase of the tariff, but we were thinking of the Maritime interests with respect to a particular industry which we believed needed to be assisted in a particular way, even if the measure proposed did not accord with our policy as generally applied. I hope we shall never become such slaves to any doctrine that when we find it necessary to invoke the exception which proves the rule we shall be unwilling to make the exception. This was a case where it seemed to us there was ground for an exception, and speaking in the budget debate, on April 30th, I used the following words with reference to increasing the duty on bituminous slack coal:

> We have felt further that there is one part of our Dominion which to-day has been having a hard struggle; no one can deny that. The Maritime provinces have had and are having a hard time. We were not without hope that our action in this particular would put new faith and comfort into the hearts and minds of the people of the Maritime provinces and for no class more than those who are engaged in the hard work of mining coal in connection with the primary industries of that part of our country. We felt this was helping on as well a great national policy of self-sufficiency in the matter of our coal supplies in this country. Those were great national reasons transcending, I believe, all other reasons. I ask my friends of the Progressive party: Are you not going to be magnanimous enough to sink any little feeling you may entertain with respect to some theoretical maximum on tariffs and stretch to our friends in the Maritime provinces the same helping hand they stretched out to you in good faith and good fellowship last session? You have an opportunity to do so on this budget. You have an opportunity by your action on this budget to show that in your outlook, you are something more than sectional; that you have a broad vision; that you are thinking first of Canada as a whole. You have your chance on this budget and it is for you to say. I again appeal to my hon. friends. It has been from this larger point of view, from the point of view of national interest as a whole, national economy, national well-being and national goodwill, that the government has taken the stand that it has on the tariff question at this particular session.

That was the attitude in which the government approached the Maritime provinces' problem at the last session of parliament, and I wish to say, Mr. Speaker, that the government's attitude to-day towards the Maritime provinces is what it was then—an attitude of seeking to understand the problem, and of seeking to meet it, of give and take as between the different provinces of this Dominion. The most unfortunate thing that could happen in this parliament is that we should begin to discuss public questions in terms of east or in terms of west. I need not remind the House of those well known lines:

> But there is neither east nor west, border nor breed nor birth
> When two strong men stand face to face, tho' they come from the ends of the earth!

We are sent here by our different constituencies to speak to each other as strong men, men who can speak their minds fearlessly and courageously, with one aim and one end in common, and I venture to say that if, in discussions of these questions, this House will keep first and foremost in view, the end and the aim, the idea and the ideal, which we have in common of a united Canada, we shall not have much difficulty in reaching a solution of the Maritime or any other problem. That spirit I think has been evident this afternoon.

As I was saying, the government has in this matter of the commission sought to take one step which it believed was fundamental and essential to a proper understanding of and consequent dealing with the situation in

the Maritimes. Other policies we have had and have which we believe will do a lot for the Maritime provinces. I am not so sure that hon. gentlemen opposite will agree with all of them. One policy in which the Liberal party has strongly believed, and in which we still believe, is a policy of reciprocal trade in natural products. I believe that the defeat of that policy in 1911 has done more than almost any other single thing to affect adversely the situation for the Maritime provinces, for if there is one part of this Dominion that would have profited by having a wider market for the sale of the natural products, they have in such abundance, the products of the mine, of the farm, of the forest, and of the sea, it is the Maritime provinces. Our policies in that regard have had in view the well-being and the welfare of the Maritime provinces in common with the well-being and the welfare of the whole Dominion, but I would submit again that, taking the Dominion as a whole, there is no part unless it be western Canada, that would have stood to gain as much as would the Maritime provinces had that particular agreement gone into force.

But it has not been only in that particular that the government sought to further the interests of the Maritime provinces. Reference has been made several times to my having asked the question in the Maritime provinces during the last campaign, what are Maritime rights? I did ask that question, but I asked it in order to answer it, and I did answer it. My hon. friends have not done me the justice to give the answer I made at that time. Having asked the question, I proceeded to answer it by pointing out what I thought were Maritime rights, and among the things I pointed out as Maritime rights was their right to the largest possible market that could be found for their commodities; the right to have their instruments of production in the basic industries made as cheap as possible; the right to expand their trade in different directions; the right to have as much Canadian import and export trade brought through the Maritime provinces as it was possible to bring; the right to more effective steamship services as between the different parts of the Maritimes and as between the Maritimes and the British West Indies. These are only some of the answers I gave to that question. I asked the question, what are Maritime rights? But I asked it with a view to making an answer, and hon. gentlemen will find that to be the case if they care and will take the trouble to look at the speeches I made in the Maritime provinces.

May I say with regard to this question of meeting the Maritime provinces' problem, that other of our policies have had in view Maritime interests, as well as those pertaining to trade—the policy, for instance, that we had with respect to the reduction of duties on the implements of production. There was a policy intended for all of Canada, but it was a policy with very particular benefits and with particular relation to the Maritime provinces. Only last session we further reduced certain duties on some of the equipment used by fishermen, on gasoline engines installed in fishing craft, as I recall it. We had in a previous session made other reductions in the duties on the implements of production, in mining, fishing, lumbering, and agriculture, all of which were greatly to the benefit of the Maritime provinces, not exclusively, but in common with the rest of the Dominion.

In regard to the encouragement of trade through Maritime ports, in 1923, I think it was, in order to further Canadian trade by Canadian ports, we gave an additional ten per cent discount on the tariff inposed on commodities coming under the British preference into Canada where they came through Canadian ports; in other words, we increased the preference where goods coming from Great Britain or other parts of the empire enjoying the preference came through Canadian ports.

Hon. members will recall that at the inception of this movement on behalf of Maritime rights, a delegation of very considerable proportions came to Ottawa from the Maritime provinces to urge upon the government the desirability and the necessity of taking some action which would cause all trade under the British preference to come via Canadian ports, in order that the Maritimes might get the benefit of that trade. These gentlemen were no sooner assembled here than they discovered, some of them much to their chagrin, that what they had come all the way to ask for had already under the policy of this government been carried out, and that as the result of the ten per cent discount on the existing preferential rate which the government had granted, something like 98 or 99 and a fraction per cent of the total trade enjoying the British preference was coming to Canada via Canadian ports in so far as it came through ports on the Atlantic. Now, if it will cause our friends in the Maritime provinces to feel any greater trust in the government's desire to further Maritime interests by having it understood that in order to enjoy the British preference at all the trade must come through Canadian ports, I for one would be very pleased to see that

policy carried out. It might help to give more general satisfaction were the British preference made applicable only to commodities coming into Canada via Canadian ports. That, as I have said, is practically accomplished to-day by the additional discount, but if the extension of the idea by express terms will help in any way, I believe we should undertake to see that that further step is taken.

Now, to come to another matter of policy. One hon. gentleman speaking this afternoon said, "Drop the question of commissions and get down to practical business."

Mr. HANSON: Hear, hear.

Mr. MACKENZIE KING: My hon. friend says "Hear, hear." Well, we got down to practical business when we negotiated the trade treaty with the West Indies. True enough that treaty may mean something by way of subsidies to provide the necessary transportation facilities that will be required, we may have to ask our friends opposite to join with us in agreeing to pay out of the public treasury a little more for subsidies in order to secure the improved steamship service which is proposed in order to get for the people of the Maritime provinces the increase in their trade we desire to see. At any rate the government has felt that one of the needs of the Maritimes was to secure for the Maritimes the nearest available market beyond our borders. Now there is a natural market for them in the West India islands, a market which if it was ever intended to serve any purpose seems designed to suit the needs of the Maritime provinces. While the actual location of the British West Indies is closer to parts of the United States than it is to this Dominion, we have a relationship to those islands much closer in the true sense of the word than that which geography affords. We have the relationship of common kinship under a common sovereign and under a common flag. We are of the opinion that the most should be made of that relationship, and that we should seek, so far as is possible, to develop inter-imperial trade wherever the opportunity presents itself. Here it presents itself in a very special and helpful way, in a way particularly helpful to our friends in the Maritime provinces. The government went to a good deal of trouble in the matter of negotiating that agreement. We did not go at it in any hurried slapdash fashion. We had a representative of this parliament visit the British West Indies. Mr. Hance Logan, the then member for Cumberland, was the gentleman chosen. He had given the subject much careful study and had brought it to the attention of parliament. He visited the West Indies and extended to those islands a formal invitation to send representatives to Ottawa to meet with the representatives of the Canadian government and see if we could not work out a trade arrangement which would give to the products of the Maritimes a wider market, and to the consumers of the Maritimes as well as the consumers of other parts of Canada at a lower cost certain commodities which are produced in tropical regions and which are not produced here, though in considerable use. After a period of negotiation an agreement was come to which is before the House at the present time. Now, I believe hon. gentlemen opposite, in fact hon. gentlemen generally, are going to meet the government in the matter of permitting that agreement to go into force. Whatever criticism there may be of details, I believe the House will rise to the point of saying, "After all, here is an agreement which means something in inter-imperial relations. We are going to see it through, and we are going to give it a trial." I submit that regardless of what it may mean in the matter of a little additional cost for the establishment of proper transportation facilities it is the duty of all who have the interests of the Maritime provinces at heart to join with the government and to strengthen our hands in making that arrangement effective.

Now, Mr. Speaker, I hope I have not taken up too much time. My desire has been simply to point out that in this matter we have endeavoured sincerely to meet a serious condition and one which it is the supreme duty of both government and parliament to meet.

A word has been used in the course of this debate, not in any direct way but indirectly, the word "secession." I do not think it is necessary to bring that word into our discussions in this House. In this case the word was quoted from some American publication. I hear a good deal of talk about going to the United States for this purpose and for that, but I do not think we need to go to the United States in order to bring into this House any talk about secession in the Dominion. We can afford to leave that word out of our vocabulary altogether. But do not let me be misunderstood. I do believe that in the Maritime provinces there is a feeling of unrest. I do believe that in the Maritime provinces there is a feeling that they have suffered in some particulars. I do not believe that feeling will be removed by ignoring the situation. Neither do I believe that the

situation will be helped by seeking to secure in virtue of it party advantage or party gain in any particular. If we study the history of this continent we will find that the experience of the Maritime provinces, whether they were in or out of confederation, was bound to a certain extent to have been very much what it has been for the simple reason that as the great west developed, as expansion has gone westward, the older provinces of the Dominion were bound to suffer considerably with respect to their agricultural and some of their other industries. It was so in the New England states, it has been so in every country; where there has been expansion and development from old settled parts to new, the former have more or less suffered relatively for the time being. The more aggressive, the more energetic elements of the population, those who have most in the way of initiative, move to the new fields where they think the opportunity is greater. We have in Canada to-day a great west that has been built up by men possessed of the necessary initiative who were content to endure all the hardships incidental to pioneering because of the future advantage they foresaw. That development in Canada has been in part from the Maritimes and has had a certain adverse effect on the Maritime provinces. But that condition is beginning more and more to right itself. It only remains for us who really desire to be helpful and not sectional or critical to seek by united action to bring about the object aimed at in this resolution, and thereby to further the larger objects which we have at heart with respect to the good of the country.

In conclusion may I say that during the week just past much was said in commemoration of the ninth anniversary of the great victory at Vimy Ridge where the Canadian army corps fought as a unit, with one aim, with one idea. Speaking of that great achievement the distinguished commander of that great army corps has used the expression that at that time the nine provinces of Canada had gone up the hill side by side animated and united by a common idea and a common ideal. If that was the inspiration; if that was the means whereby victory was achieved in a great war, to the lasting glory of this country and the empire of which it is a part, surely we in this parliament representing the nine provinces of the Dominion will not in these days of peace find it difficult to go up the hill together in the solution of whatever problems may still remain in the perfecting of confederation and the great idea and ideal of national unity it was intended to serve.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, it will not be necessary for me to comment, at least in any adverse way, on a considerable portion of the speech just delivered by the Prime Minister (Mr. Mackenzie King). I make this comment to concentrate attention on the line I propose to follow more than for any other purpose: that the speech was replete with very much interesting matter, some good declamation, full of very good ideals, but was singularly wanting in discussion of what really is before the House, namely, the need, the reason for and the office of this new royal commission.

As to the resolution which we are asked to support, moved by the senior member for Halifax (Mr. Black), I am in accord with the views expressed by the Prime Minister. The resolution certainly could not be voted against, nor do I think the resolution is in danger of misinterpretation, certainly not intentional misinterpretation, at the hands of any hon. member on this side or any side of the House. So that so far as the vote thereon is concerned, further discussion is unnecessary. The only object which can be served is to disclose what has been the course of parliament, and especially this parliament, in relation to the whole question; what has been the conduct of the administration; what now is the administration offering, and should the House be satisfied with what the government proposes.

That the responsibility is a serious one we all admit. That the problem is a complex one we equally agree. What it is we are pretty well agreed on too. This country since 1921 has suffered from very general depression. We revolved into it along with all other nations on this continent. We have remained in it longer than any other nation. We suffer from it still. Certain portions of the country have undergone greater trials than others. Those which labour under what one might describe as geographical disabilities naturally suffer the most. One of those portions is the Maritime provinces of Canada. That they have undergone many hardships in the last five years there can be no question. They were generally prosperous for a number of years before, but they recently have lost in population; they have lost in business enterprises and they have lost in hope—more so, undoubtedly, than any other portion of our country. There may be some discussion in regard to what the reason has been, but there can be no dispute as to the fact itself. These things have given rise to questioning as to whether or not they have received what was their due at the hands of the country,

and especially whether or not the "terms" used in its widest sense, under which they entered confederation have been faithfully and loyally adhered to. The Maritime provinces claim they have not been adhered to. The question then before us is, What are they? Have they been adhered to? And if not, what can be done to remedy the situation? Were we agreed that they had been adhered to, I do not think this problem then would be solved. A practical condition confronts us. Those provinces are undoubtedly today labouring under disabilities not common to, or at all events greater than, those endured by other parts. That is a condition of affairs which the whole country cannot permit to continue. We cannot afford to see disaffection grow in any portion of our country to any serious extent, or continue for any great length of time. It demands attention at the hands of statesmen. It must have this attention, and must have it irrespective of whether the terms of confederation have been adhered to.

Now the government proposes a royal commission, and sets out in an order in council what the royal commission is to do and the names of its members. I dismiss the latter point at once. I know none of the members of the commission; so far as I know I have never seen any of them; I have heard very little of any of them, except the chairman; consequently I would be ill-qualified to make any comment at all. It is only fair to say that I have heard the chairman well spoken of at all times, and I believe his work in a wholly different field, namely, an inquiry into a labour dispute in Cape Breton island, and the recommending of a remedy therefor, was admirably performed. That he is an excellent citizen there is no doubt. That he will do his utmost in this work there is no question. With those words, I dismiss that point.

Then I come to the purpose of the commission and the reason of its being, and ask myself: is its appointment really meeting the situation which confronts us? The Prime Minister was very brief on the point. I presume that is one of the artifices of a skilled debater to be very, very cursory on the portion which is hard to support. He said "Here is a resolution which calls upon us to live up to the terms of confederation, and the first thing to know in order to carry it out is, what terms of confederation are not being lived up to?" Now I put myself in the judgment of the House when I say that was the only reason given for the appointment of this royal commission—in order to ascertain what terms of confederation were not being adhered to on the part of Canada today with respect to the Maritimes. I submit, Mr. Speaker, we all know what the terms of confederation were. They are written and he who runs may read. The book is open, we can study them. We know as well what the concomitant speeches were.

Mr. MACKENZIE KING: I think my right hon. friend failed to recognize that I was confining my remarks to the words of the resolution, and in speaking of confederation I referred to the understandings arrived at, not the specific terms of confederation.

Mr. MEIGHEN: I will broaden my remarks accordingly; I was intending to anyway, and in fact I had already done so. We know what the concomitant speeches were. There is nothing unknown. Indeed there is nothing left for investigation. If any of us had forgotten, they have certainly been brought to our minds most pointedly and forcibly by hon. members from the Maritimes this session. There may be a question as to the implications. There is no question as to the meaning of the terms, but as to the implications there may be some. But surely we in this House can judge of the implications as well as any living beings. We Canadian citizens here, elected to legislate for Canada, can decide what the implications are and act accordingly, we do not need any commission, however learned, to instruct us. I think there are implications beyond the exact effect of the words. For example, when in order to induce Nova Scotia and New Brunswick to enter confederation, we agreed that the Intercolonial railway would be built, it is too narrow to reason from those words that our obligation was fulfilled when the road was built. That, I presume, would be a mathematical deduction from the words; but surely it cannot be taken to be a complete deduction, because we being in control, the majority being west of the Maritimes, could build the road and then establish freight rates so high that the road would be worthless. This would not be carrying out the terms of confederation; it would be only mocking them by a subterfuge. It seems to me to follow as a necessary implication that in addition to the construction of the road we must see that it is so operated as to fulfil the well-understood purposes of its construction.

We all know what the well-understood purposes were, and therefore we know the implications. What is there to inquire into in order to enable us to determine what the high line of policy should be? Do we say that we do

not know whether they are being violated? We know what we are doing. We are doing it even ourselves; we are running the railway. We know all that. There is no fact in this sphere that is obscure; there is nothing here for a commission. We who made the contract are doing this. Do we need Sir Andrew Duncan to tell us whether we are keeping the spirit of it? We certainly do not. There is no purpose, therefore, to be found for a commission from any exploration in that field. What then is the commission for? Has anybody in this debate suggested up to this time what it is appointed for?

I come now to the terms of this order in council which is indeed a fearful and wonderfull production. I read the portions which intimate the several subjects into which the commission must inquire. The order recites that representations have been made and then it states:

Such representations relate more particularly to the alleged failure to use Canadian ports for Canadian trade to the extent to which they might be utilized.

That is one subject.

And to the handicaps said to result from the operation of the schedules of rates chargeable for the carriage of goods on the railways uniting the Maritime provinces with the other provinces of Canada.

Subject No. 1 is "use of ports". Subject No. 2 is "railway rates". What is the third?

And to the manner of administering that part of the Canadian National railways system which was formerly known as the Intercolonial railway—

I presume that is the work of the National railway board. I do not know whether any importance is attached to that or not. I cannot see what it is if there is any. The next is:

—by methods and conditions alleged to be inconsistent with the pledges given at the time of confederation in regard thereto and with the practice followed from the time of the construction of the railway until December, 1918.

That is all one subject—"administration of the railways." Next:

These representations have also been directed to the effects of the customs, immigration and other economic policies adopted by successive governments, of certain financial measures, and of the disposition or allotment to provinces of public lands of Canada.

I will ask the House to analyze those quotations carefully. The first is "use of ports;" the second, "rates"; the third, "administration by the government's directorate", and the fourth "the effects of the customs." The House will note how skilfully "customs" is used instead of "tariff." In a word, and to call a spade a spade, this means to inquire into tariff policy. What the "other financial measures" are I do not know, but the fourth subject is "tariff policy." I have already read the fifth:

The disposition or allotment to provinces of public lands of Canada.

There I have reviewed the five subjects of inquiry. Let me now proceed to ask the House whether there is anything that can be described as common sense in the appointment of a commission at this hour to inquire into those subjects with a view to determination of policy. Mind you, Mr. Speaker, I say that if the government would take any one of them and say: Here is a case that demands a remedy and we move to remedy it along this line, there might be reason for an inquiry to find out just what the effect of the adoption of that line of policy is, how far you should go, where it should apply, in a word, to work out the application. I do not know that there would be such reason; it would not appear to me likely, but there might be. But before you do that, to ask a commission, for example, to say what are the rights of the Maritimes in respect of those western lands,—can you think of anything more absurd? Think of asking Sir Andrew Duncan, Judge Wallace and Professor Macmillan to tell the Commons of Canada what are the rights of the Maritimes in respect of the subject of the natural resources of Alberta! I put that seriously to hon. gentlemen opposite. Does their imagination enable them to think of anything more absurd? What is the limitation on this government that it cannot decide such a thing? Where is the restraint? What light is it that they are asking for? Where is it to come from? Is there anything concealed? Why, the documents have been before us for fifty years. The only conclusion I can come to—and I submit it to the House—is that it is just a method of enabling the government not to decide for a while yet. Is that not all?

Let us come to the other points. Sir Andrew Duncan, Judge Wallace and Professor Macmillan are to help this House decide what is the best tariff policy for the Maritimes! Mr. Speaker, if you were not in the Chair you could not sit with sober mien when I put that question. This government declared, just two years ago, that so far as coal was concerned they knew what the right policy was, that it was protection and more protection. How is it that they know what the right policy is as to coal, but they do not know what it is as regards steel? How is it that they know what the right policy is for the rest of the country, but for the life of them they cannot tell what it is for the Maritimes without the help of Sir Andrew Duncan?

The performance of the Prime Minister (Mr. Mackenzie King) was a pretty skilful one and I like to see a skilful performance even in a bad cause. Looking to his Progressive friends he said, and of course with an eye to Maritime sympathy: "Do you not remember how I appealed pathetically to you two years ago to support those extra duties on coal?" Even in the face of our declared policy we knew there would have to be an exception as regards coal, the exception as he described it, which proved the rule. He said it was a special case, forgetting for the time being that "the tariff was a tax." Has that immortal truth been lost to memory? Why was he not reminded by his Saskatchewan supporters that the tariff was a tax and that you can never in the world help an industry by taxing it? Why did they not think of that? It is quite true that two years ago the Prime Minister, commanded to do so by the Liberal party of the Maritime provinces, came to this House and demanded a higher duty on coal, and he did so in the face of a policy pronounced at the time of lower tariff on the implements of production. I wonder if coal is not an instrument of production? I appeal to the Liberal members from Saskatchewan; I appeal to those on my left, who supported a higher duty on coal at the instance of the government of the day; is not coal, of all things, an instrument of production of nearly everything? Is there anything more distinctly and fundamentally an instrument of production than coal? Then how is that to be the exception which proves the rule? Yes, they knew that there had to be more protection on coal but what else do they want Sir Andrew Duncan to tell them. No, they do not; they do not want Sir Andrew Duncan to tell them anything. This is just another stall on the tariff.

But, Mr. Speaker, what about this new tariff commission? Where has it been relegated to? That commission, with the Right Hon. George P. Graham as its head; with Mr. Daoust scattered to the four winds because he believed in protection on coal and said so, and protection all around—where is that commission now? Is it only competent to decide tariff matters for the rest of the country, and incompetent to decide them for the Maritime provinces? What a position the government is in! They have referred to a new commission, not ten days after their tariff commission is appointed, the question of deciding what is the right tariff policy for the Maritime provinces.

[Mr. Meighen.]

Let us now go back to the first ones; what were they? To inquire into this long standing question of the use of Canadian ports a brand new commission has now been appointed which is to report to the government. The Prime Minister says, "On this we have a policy," and what is the policy? It is to use Canadian ports to the fullest possible extent. When was Canada without that policy? There never was a time when any government did not profess it, but everyone knows that the question must be reduced to the concrete, "What are you going to do to bring it about?" What is their policy on that? Their policy is nothing; objective alone is not policy: there must be a method —a plan. What is the government method—a royal commission? No, it is not one royal commission, it is two or three or four of them. Possibly I cannot account for four, but I am sure that I can recite three references of this same question to commissions. The Prime Minister read, when on his feet, a reference of the same subject to another commission, and the railway commission is engaged this very day in labouring over that very point. While the railway commission is in the throes of its toil another commission is appointed to inquire into the very same thing.

The same words apply to the subject of rates, and with that subject I have covered all. The second thing this commission is to inquire into is rates as between the Maritime provinces and the rest of the country. That was referred to the commission, but do you know, Mr. Speaker, that it was the third reference of this question? I will read the second now. I have in my hand an order in council dated June 5, 1925; it is a long order in council, but I will read the last paragraph:

> The committee therefore advise that the board—

That is, the railway commission.

> —be directed to make a thorough investigation of the rate structures of railways and railway companies subject to the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries and in particular to:
>
> (a) The claim asserted on behalf of the Maritime provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;
>
> (b) The encouragement of the movement of traffic through Canadian ports;
>
> (c) The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama canal.

So this is the third reference to a commission, but that is not all. These things have been before the railway commission ever since the commission was created! Ever since that commission became a commission its plain duty under the Railway Act was tc erect a rate structure based on these very principles. So if reference to a commission would cure this situation the government has tried the application of that dose in repeated and unstinted measure. Month after month they come before parliament; now it is referred to this commission and again to that commission. But can you imagine the chaos we are in now, with the railway commission sitting on these very questions, hearing evidence and arguments; and in the midst of it all there is another commission appointed, headed by Sir Andrew Duncan, to make a thorough inquiry, over top of all the others, into the very same thing.

This is the government policy, and we are asked to believe that it is devised because of anxiety for unity in Canada. Commissions to make unity! After this commission comes back where will we be? I will make a prophecy; we will have another commission appointed to inquire into the same subject again. If this agitation keeps up, a few months more will see a reference of this same subject to some other commission; that is the "fixed" policy of the government.

It does seem clear that until there is an announcement of a step to be taken, something concrete and definite, there is no purpose which this commission can serve. However good the commission may be, however well intentioned its members, what purpose can the imagination of man divine which this commission may serve at this time? If there is something in the way of inquiry as to the assessment or effect of its policy or as to its application, that is one thing. But to appoint a commission to devise a policy, and especially to appoint such a commission after there had been repeated directions to another commission over and over again is to me the very acme of the absurd.

The Minister of National Defence (Mr. Macdonald) spoke this afternoon. I do not yet very well know what his views are. He was very timid about pronouncing himself, but he did say that he had been opposed all along to the acquirement of the Canadian Northern railway and subsequently to the acquirement of the Grand Trunk railway; and in that way he sought to wash his hands of the present situation. "I am not responsible" he said, "I fought the acquirement of the Canadian Northern away back in 1914, I also fought the acquirement of the Grand Trunk in 1919. May I ask any member of this House: Does the present situation flow from the acquirement of the Canadian Northern railway, or the acquirement of the Grand Trunk railway; does any single atom of it flow from such a source? The minister of National Defence suggested one thing—he did not say it —he suggested—I do not think anyone else would seriously suggest it—that because in acquiring the Grand Trunk we got the line which runs to Portland, there flows from this fact the greater use of that port. Can anybody follow his reasoning? Because we own the stock of the Grand Trunk instead of the old Grand Trunk shareholders owning it, does that fact cause more railway freight to run to Portland? Well, if so, who is responsible? Is it not the directorate appointed by this government? Because we own that line to the terminus with the other lines, if there is any result in the world, it gives us more commanding control of the situation. Let me repeat. If the fact of our ownership of the Portland line affects the situation in any way whatever, it affects it to give the government of the day a greater control of the direction of traffic.

I know there was a motion moved, and I wondered that the minister of Defence read it —I noticed he did not read it very loudly —a motion moved by the Minister of Justice, then the member for Kamouraska, in amendment to the motion for the third reading of the Grand Trunk bill of 1919. I think I have it here.

Mr. LAPOINTE: I beg my right hon. friend's pardon, I never moved that motion.

Mr. MEIGHEN: It does not matter who moved it, it is here anyway. I guess it was moved by the Prime Minister.

Mr. MACKENZIE KING: I beg my right hon. friend's pardon, I did not move it.

Mr. MEIGHEN: Well, I certainly compliment them that their second thought is better than their first, for they all supported it, every one of them. That they are ashamed of it now is a tribute to their intelligence today, if not to their judgment then. It was referred to by the Minister of National Defence: I had almost forgotten it. He referred to it by way of emphasizing the consistent stand taken by the Liberal party on this question. "Why" he said, "there was moved a motion that we do not read that Grand Trunk bill a third time." But why? "Because by acquiring railways in the States we would land ourselves in international complications—complications so serious that they

would drift us into annexation." The House really will hardly believe that any hon. member could have moved such a resolution. Only in 1919—I remember the debate well—over and over again we were warned that if we got the stock of the Grand Trunk instead of the stockholders in England owning it, then, as the Grand Trunk included some lines in the States, that would land us into trouble with Washington. All sorts of international complications would ensue, and we would be in danger of annexation. Mr. Speaker, it was really for that the Liberal party voted! Well, we have had the road now for seven years, and who has ever heard of any international complications? I appeal to the memories of members of the Liberal party. The member for Bellechasse (Mr. Fournier) shakes his head in the negative. He is the first one to record himself honestly. There has never been the slightest sign or symptom of any such complications. But that was the objection taken to the acquirement. So far as affecting this problem is concerned, if it had any effect at all, it gave the government greater control over the situation.

Then the Minister of National Defence said, "I opposed the acquirement even of the Canadian Northern." What relation that point has to the question I at least am at a loss to divine. He said, "Why, I fought against it in 1914, even though at that time we were only guaranteeing the bonds of the railway." The Minister of National Defence did oppose the guarantee of the bonds of the Canadian Northern Railway in 1914. He opposed it all the way through. We felt we had to guarantee them or have the system go into liquidation, which in the end would cost us far more. But did he oppose it because it was a step towards the acquirement of the road? Will the House believe me when I state that he opposed it because we were not inserting in the guarantee agreement a clause to provide for the acquirement of the road? I have before me a motion made by—I hope nobody will deny its authorship—made by Sir Wilfrid Laurier. It will be found in Hansard of June 2, 1914, at page 4634:

> Sir Wilfrid Laurier moved, seconded by Mr. Pugsley, that the said bill be not now read a third time, but that it be resolved that under existing circumstances no assistance should be given to the Canadian Northern Railway Company unless at the same time it is provided that the government have power, within a reasonable time, to acquire ownership of the entire stock of the company at a price to be fixed by arbitration, but not to exceed $30,000,000.

If hon. members will turn to page 4633 of the same Hansard they will find among those voting "yea" on that amendment the name of the hon. member for Antigonish-Guysborough (Mr. Macdonald).

Mr. CANNON: How did the member for West Calgary (Mr. Bennett) vote on that occasion?

Mr. MEIGHEN: The member for West Calgary is not down as voting at all, but if he had voted in favour of acquiring the railway he would not be standing on his feet to-day and boasting that he had always opposed its acquirement. It was not therefore the acquirement of the road that the Minister of National Defence voted against. He voted against our assisting it without enabling the country to acquire it. He wanted us then and there to take steps to acquire it. And he was ready to pay $30,000,000 for the capital stock. So hon. members will seee just how much sincerity there has been in this campaign and talk about the Liberal party having been against the acquirement of the National railways. They were against it just because we found it necessary to acquire those railways, and up to the time when we found that it was essential, that we could not help

12 m. it, they were urging us on in that very direction, finding fault with us and voting for amendments because we would not proceed with the acquirement rapidly enough.

That, Mr. Speaker, is the history of the acquirement question. Again I say, it has nothing in the world to do with this situation. This is a question of rates. The subject of rates is just as much under our control to-day, even more under our control now that we are the owners of one great portion of Canadian roads, than if we were owners of none. It would be, it is true, under our control in any event, even were we not owners. But the question before us is this: How can we so exercise our control as to give the assistance necessary to meet this situation to the far off extremes of our country? I have taken the pains and taken the responsibility, and met with very considerable antagonism on the part of hon. gentlemen opposite, in an effort to outline one method which could be adopted to meet the Maritime situation on the side of transportation. It was announced in a resolution moved on the 2nd of June last. By that resolution I still adhere, and by that resolution I believe every member of this House on this side adheres. Our criticism, therefore, is not wholly destructive. We are on record in constructive fashion. Where are the government? We are now almost a year past that date, and their policy

is "royal commissions" still. Let the government suggest some other line upon which we can move. What did they say when this line was suggested? I appeal to the Maritime members on whose behalf they are so sympathetic now. They stood up in the province of Ontario and in the province of Quebec and said: Meighen wants to take out of the treasury of Canada a share of the freight rate to enable Maritime goods to get to these central provinces.

Mr. CANNON: The Tories said it.

Mr. MEIGHEN: Yes, and we were denounced for making that proposal. It was declared to be unfair to the central provinces of Canada; it was declared to be unfair to those producing goods in the central provinces to have to sell against the Maritimes, who were to ship them at rates assisted by parliament. These were the men who now stand up and appeal to our Atlantic brothers to believe that they are at great pains and agonies because of the troubles of the Maritimes. If there is any better way than my suggestion we would all like to hear it. I know of no better way myself. If a better can be found, I will follow it. But I proposed that just described, and I venture to suggest that the government will come to it before long themselves.

I was not going to mention again the Minister of National Defence (Mr. Macdonald), but now that he is in, I think I should. There was read this afternoon by the hon. senior member for Halifax (Mr. Black) an inquiry put to the Minister of National Defence before the 1921 election. The minister will remember that the 1921 election was run by the Liberal party on the cry: "Take the Intercolonial out of the National system; put it back where it was," and the Minister of National Defence, of course, was the most vociferous and authoritative voice behind the cry. This question was put to him during the 1921 compaign:

> Realizing the importance of the campaign which our newspaper has consistently supported for restoration of Maritime rights with Canadian National Railway by establishment of eastern unit, with headquarters at Moncton in charge of Maritime trained men, we would appreciate if you would favour us with a brief definite statement of your attitude on the question.

Here is the answer:

> For the past year and a half I have consistently urged that the only method to enable the industries of the Maritime provinces to be carried on with any degree of success would be by detaching the Intercolonial altogether from the Canadian National railway and Grand Trunk railway connections, and running and operating it as it was operated for forty years under the terms of confederation.

One thing I will say about that declaration: It is clear, it is definite, there is no misunderstanding it at all. He goes on:

> We would thus be freed from the taxation which is now imposed upon the patrons of the road for the purpose of paying the interest upon the enormous debts contracted by the Canadian National Railway in its construction in western Canada. The control of the Intercolonial must be taken from Toronto and vested in Moncton, where it always was, and the railway should be officered by men in sympathy with Maritime interests and Maritime rights.

Now when faced with this to-day and questioned by the hon. member for York-Sunbury (Mr. Hanson), what was the statement made by the Minister of National Defence? "Why, certainly," he said, "I was against the Intercolonial being run in 1922 by"—I do not know just how he put it; I wish he would put it just the same way again, but this was the effect of it: "Because I opposed the taking over of the Canadian Northern and the Grand Trunk, therefore I was consistent in 1921 when I made that statement to the Halifax Herald." What has the opposing of the Canadian Northern and the Grand Trunk to do with that statement? That statement was made two years after they were both our property. Nor did the minister refer to his opposition because specifically he referred to a year and a half before the time he sent his message to the Herald. He says: "For 'a year and a half' I have been urging the taking of the Intercolonial out of the National system altogether, and putting it back where it was and where it had been for forty years." But did he do it when he got into power? Did he take a single step towards taking it out? Certainly he did not. I will not say he never intended to; I do not know, but he ought to admit to the House that he was wholly wrong in 1921, and that the votes he got on that declaration he had no right to whatever. All the votes obtained through the Maritime provinces, obtained by proclamations to take the Intercolonial out of the National system, all these votes were fraudulently obtained. The Minister of National Defence sat four years in this House before he went back to his people, and never in all that time had he taken a single step towards redeeming the pledge he openly and publicly gave in the fall of 1921.

The Intercolonial is part of the National system. There is an Atlantic division at Moncton. There could not have been one established until the Grand Trunk was fully amalgamated. That could not take place, did not take place even under this government until the end of 1922 or the beginning of 1923. We could not possibly do so for the reason that the arbitration proceedings had

not been fully completed and executed. But I stated in that campaign that when such amalgamation was done there would be one established, that the directorate had so pronounced, that its headquarters would be in the Maritime provinces, and that its jurisdiction would extend westward as far as the end of the Intercolonial. Such was the purpose of the government of that day. And in opposition to that expressed declaration of policy, the Minister of National Defence and his followers in the Maritime provinces stumped those provinces and declared that if they were elected they would take the Intercolonial out of the National system and restore it to the place where it had been for forty years, and run it as a distinct and separate entity. There is the breach of faith on the part of the Liberal party of this country. It is because of such things that disaffection exists to-day.

I stood in this House some weeks ago and said, as I have always done, that I did not believe the taking of the Intercolonial out would itself be any remedy to the Maritime provinces. It is not whether the National Railway board runs it or not that counts; it is the rates that count; it is the burden on the people who ship goods; that is what tells in the success or failure of trade along its line. So I think I have brought home to the Minister of National Defence conduct which certainly did not help him in the late campaign, and which no doubt was partly explanatory of his flight from Pictou into the county of Antigonish-Guysborough.

Now let me say, Mr. Speaker, that in my judgment this problem of Maritime rights mainly is a question, first and foremost, of transportation, and secondly, of tariff adjustments. I am advised—I may not be advised correctly—that a representative of the National Railway board, speaking before the railway commission recently, made the statement that the Intercolonial was not built to give the Maritimes access to the central provinces; but rather was built to give the production of the central provinces access to the Maritimes. I know the gentleman to whom those words are ascribed, and I find it hard to think he would make such a statement, but if he did, I feel he has wholly misapprehended the central purpose which dictated the construction of the road. The road undoubtedly was constructed by way of concession to the Maritimes, and to enable those provinces to reach the central markets of our country. That it was hoped it would serve the complementary purpose there is no doubt, but to intimate that the complementary purpose, access to the Maritimes from the central provinces, was the primary objective of its construction is wholly to misread history and to misconstrue facts. To serve the Maritimes was the great purpose of the Intercolonial, and in national policy to-day this must be taken into account. In deciding what we are going to do to meet the special transportation difficulties of these provinces we must keep ever before us the primary and essential end for which the Intercolonial was built. Along that line you can give relief. My method of acting along that line I have indicated to this House and the country; I call upon the government to indicate theirs. I say to them: do not hide behind more royal commissions. Do not trifle with public opinion any longer. Do not waste the country's money. Do not do what is far worse—waste the country's time and test the patience of our people by those devious, scientific procrastinations.

And then as to the tariff. The tariff has been manipulated in late years undoubtedly to the disadvantage of the Maritime provinces. I wonder by what colour of right the tariff on steel, for example, is taken, the protection cast away and the industry virtually paralyzed in order that some pet hobby about men specially engaged in making "implements of production" being entitled to a singular line of treatment may be carried into effect. All this has hurt the Maritimes. In reference to the tariff the line which must be taken is this: Remove the disabilities that have been placed upon those provinces of late years and turn our tariff policy in the direction of developing industries in the Maritime provinces by giving those industries protection. I am advised that in the late campaign as the discussion reached its climax and election day approached down in Cape Breton island—yes, and in territory near Cape Breton island as well,—every Liberal candidate was compelled to come out and declare that he supported the principle of protection for Maritime products. I ask that this fact sink into the minds of hon. members from Saskatchewan. "Oh," we are told by the Prime Minister, "if we only had that reciprocity treaty!" Did you ever hear anything discussed in this House and the government utterly at a loss for an excuse that they did not bring up the reciprocity pact? The members from the Maritime provinces as well as from the west will not forget that only a few weeks ago I challenged the government face to face on that issue. I challenged any one of them to stand up and say that if he could re-enact the provisions of that treaty to-day he would do so. Not one of them responded. It is a great treaty as long

as it it out of existence; it is a great treaty as long as it is not readvanced; but I invite them now just to reintroduce that treaty and let us go to the country upon it. The Prime Minister says, "Oh, if we had reciprocity in natural products!" Did you observe this prayer was offered up just about two paragraphs after he had stated that we needed higher protection on coal? Did you observe anything in the reciprocity pact of 1911 for free trade in coal? Mention was made there about free fruit and about free vegetables, but not about free coal. I wonder is coal not a natural product? What is unnatural about it? What is to be thought, then, of the professed fidelity of hon. gentlemen opposite towards free trade or reciprocity in natural products? The only consistent fixed policy of the government is royal commissions. Against that policy I appeal and I ask the government first to lay out the path along which they intend to travel; I ask them to tell us something they intend to do, tell us the policy they intend to adopt. Having done that they will have discharged their duty, and the country at least will have respect for them as men of courage and men who understand their responsibilities.

Mr. DEPUTY SPEAKER: Before I put the motion I wish to remind the senior member for Halifax (Mr. Black) that he has the right to reply if he so desires.

Mr. LAPOINTE: Just make it only one partisan speech.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 12.18 a.m. (Tuesday).

Tuesday, April 13, 1926

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 19, to incorporate The Agents Insurance Company.—Mr. Malcolm.

Bill No. 20, respecting The Pacific Coast Fire Insurance Company.—Mr. Clark.

COMMITTEE ON AGRICULTURE

Mr. W. F. KAY (Brome-Missisquoi) moved:

That the first report of the select standing committee on Agriculture and Colonization be concurred in.

Motion agreed to.

PETITION FROM THE BLIND

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I beg leave to present the following petition from blind persons in the city of Winnipeg—

Mr. SPEAKER: Order. Is the hon. gentleman going to read the whole petition?

Mr. WOODSWORTH: May I read the petition?

Mr. SPEAKER: No. Under rule 75, certain proceedings are necessary before a petition is in order. First the petition must be presented to the Clerk of the House. The day following the Examiner of Petitions reports, and if the petition does not contain matter in breach of the privileges of the House, it may be read by the Clerk of the House. The hon. member may however present his petition to-day.

Mr. WOODSWORTH: I should like to present a petition signed by some 144 blind persons, and also a petition signed by some 21,000 citizens of Manitoba.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT MEASURES ON MONDAY AND WEDNESDAY

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That on and after Monday, the 19th of April instant, and on and after Wednesday, the 21st April instant, and all subsequent Mondays and Wednesdays until the end of the session, government notices of motions and government orders shall have precedence after questions and notices of motions for production of papers.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I do not believe the government really and seriously want both days all at once. I am speaking on behalf of my hon. friends to my left who, I see, have a great many notices of motions on the order paper.

Mr. ROBERT FORKE (Brandon): I would suggest that the leader of the opposition just speak for his own party.

Mr. MEIGHEN: I would have confined myself to doing so, but I see evidences of the arrangement in the silence of hon. gentlemen to my left. I do not like to assume that they put these motions on the order paper merely for display, but that seems to be the conclusion from the remarks of the leader of the Progressive party. However, we did not put our motions on the order paper for that purpose. I know, of course, that it will be necessary to take an increasing share of the days of private members, but unless the rules are amended, or at least the time deferred, it

really becomes absurd to place important motions on the order paper at all. It is true that some motions have been called, but that does not affect the case, because if those motions had been moved the others could not have been. All the motions that could have been moved have been moved within the time allotted. Personally, I would not object to Wednesday being taken; I think it is usual to take Wednesday first and withhold Monday for a little time. We will get through as fast as possible; but there are four or five pretty important resolutions for the discussion of which an opportunity should be afforded. I would ask the government to amend the motion so as to limit it to Wednesday—I have no objection to that—leaving Monday still available for the business of private members of the House.

Mr. WOODSWORTH: I should like to endorse what has been said by the leader of the opposition. It seems to me there are several motions on the order paper that are of importance. There has not been a very long time since the government really established itself to discuss these matters, and speaking for my own little group in this corner, I would say there are one or two motions on the order paper which we would like to have discussed. My colleague (Mr. Heaps) had a motion for the production of papers which, contrary to the usual custom, was put down on the order paper to be debated. There has been no opportunity whatever of having that motion debated. I would hope that we would be given another day or two in order that this and other motions might be discussed.

Mr. MACKENZIE KING: I wonder if it would meet my hon. friend's wishes if we were to leave Monday, April 19, that is, instead of saying "on and after Monday, 19th of April" to say "after Monday, 19th and subsequent Wednesdays". That would give another Monday. If the suggestion is agreeable I should like to amend the resolution in that way.

Mr. MEIGHEN: I think that we should not fix the Mondays yet. Wednesday will be taken, and we have no objection to sitting at night on Wednesday. It is not that we want to delay the House at all, but reasonable opportunity should be afforded to discuss such resolutions as are of substantial importance.

Mr. MACKENZIE KING: Well, I am anxious in this, as in all matters, to get unanimity as far as possible. I have no objection just for the present, without committing the government for any period of time, to eliminate that part of the resolution which relates to Mondays and have it relate only to Wednesdays. Then we will strike out the words "on and after Monday the 19th, instant", and the motion will read:

> On and after Wednesday the 21st, instant, and on all subsequent Wednesdays to the end of the session, government notices of motion and so forth shall have precedence.

That is meeting my right hon. friend in full, but I hope, later on, when we ask to take Mondays, my right hon. friend will have no objection.

Motion as amended agreed to.

RURAL CREDITS

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): I desire to ask the government when it is their intention to introduce the rural credits measure. I would point out to the Prime Minister that I have had a resolution relating to this matter on the order paper ever since the commencement of the session. I have refrained from discussing it, not because of any neglect on my part but in view of the notice given by the government that it was their intention to introduce such legislation. I thought it would perhaps be unfair to press my resolution prior to the government measure being brought down. I point out also that the session is advancing, and the rural credits measure is a very important one. It is apprehended that there may be two or more classes of views in connection with it, and I should not like to see such an important measure introduced in the closing hours of the session, when we would be compelled to vote yes or no without an opportunity of offering constructive criticism or amendments. I am desirous of assisting in such legislation. May we expect this measure to be introduced at an early date?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The only reason for the delay has been the desire of the government to bring down a measure that will as far as possible commend itself not only to this House but to the other chamber as well. The law officers of the crown are at the present time, I understand, drafting the resolution which precedes the introduction of the bill and we hope to have it on the order paper this week.

CIVIL SERVICE SALARY REVISION

On the Orders of the Day:

Mr. R. E. RYERSON (Brantford): I desire to ask the right hon. leader of the government if the report of the Civil Service Commission respecting salary revision of the civil service has been received and considered by the cabinet. If so, when will this report be brought down, and when will the decision of the government in relation to it be made known

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will have to read over my hon. friend's question because I am not sure that I caught it all, but if he refers to a statement which appeared in the press to the effect that the Civil Service Commission had presented to the government their report with reference to revision of salaries, I may say that I am advised the report has not yet been received by the government.

Mr. RYERSON: Will the report be laid on the table after it is received?

Mr. MACKENZIE KING: The government would naturally wish to have an opportunity of considering the report before laying it on the table, but after it has been considered if there be no objection, it will be placed on the table of the House.

CANADIAN NATIONAL RAILWAYS

ANNUAL REPORT

On the Orders of the Day:

Mr. G. B. NICHOLSON (East Algoma): Can the Minister of Railways and Canals advise us when we are likely to receive the annual report of the Canadian National Railways for the year 1925?

Hon. C. A. DUNNING (Minister of Railways and Canals): I expect to be able to deal with the matter in the course of the next week or so.

Mr. G. B. NICHOLSON (East Algoma): I am under the impression that the Minister misunderstood my question with reference to the annual report of the Canadian National Railways.

Mr. DUNNING: I did not hear it all.

Mr. NICHOLSON: I was not referring to the annual statement of the Minister of Railways and Canals. My question was whether he could advise us as to when we might expect the annual report of the Canadian National Railways?

Mr. DUNNING: I understood that part of the question, and I cannot at the moment answer it.

ACCIDENTS TO PASSENGER TRAINS

On the Orders of the Day:

Mr. F. P. QUINN (Halifax): May I ask the Minister of Railways and Canals (Mr. Dunning) if he has taken notice that during the past three months four rather serious wrecks have happened on the eastern division of the Canadian National Railways, or what is better known as the Intercolonial railway, in connection with two of the most important trains on the railway, namely the Maritime Express and the Ocean Limited, and if he has drawn the attention of the railway board to the matter, so that they might examine the road bed of that division of the railway, with a view to making it safe for the people of the Maritime provinces to travel to the western provinces of Canada and vice versa. This is rather important, and I think it should be looked into at once.

Mr. HANSON: And give instructions to have a little more ballast placed on the Intercolonial railway.

Mr. MANION: And a little more ballast on the government.

Hon. C. A. DUNNING (Minister of Railways and Canals): The question is somewhat involved. I understand my hon. friend to ask whether the Minister of Railways is aware of those wrecks, and the answer is yes. I understand the remainder of the question is as to whether or not an investigation has been made. I may say that investigation is being made. I have not yet received, as minister, the report of the result of it. With regard to the specific suggestion as to how accidents should be prevented, I prefer to leave that to the technical railway men, rather than to suggest more ballast or any other specific remedy. Of course it is the desire of the railway board and of the government that accidents should as far as possible be prevented, but I hardly think that those of us who are laymen sitting here in parliament are able to devise the precise means by which that may be accomplished. I feel reasonably sure the railway officers are very greatly concerned about the succession of accidents and are doing all they can to prevent them.

An hon. MEMBER: Might I suggest a royal commission?

CIVIL SERVICE COMMITTEE—1923

RECOMMENDATIONS CONCERNING SALARY SCHEDULES AND OTHER MATTERS

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Supplementing a question already addressed

to the Prime Minister regarding the civil service salary revision, the Minister of Justice (Mr. Lapointe) will recall that I asked the question and presented a petition or document to the government about ten days ago. On Thursday last the minister was good enough to intimate that he expected to be in a position to make some statement soon. Is he now in a position to answer my question?

Hon. ERNEST LAPOINTE (Minister of Justice): I think my hon. friend will find an answer in Hansard on the day following the day the question was put, or perhaps a couple of days after, in which, speaking on behalf of the Civil Service Commission, I stated their report would be ready at an early date and sent to the Governor in Council to be dealt with.

Mr. STEVENS: Is that the only answer for the time being that the government have to the question which I put and the petition which I presented?

Mr. LAPOINTE: What was included in the petition really comes under the general scheme. I think the answer of the Civil Service Commission covered the points in the petition presented by my hon. friend.

SOLDIER SETTLEMENT ACT AMENDMENT

The House resumed from Friday, April 9, consideration in committee of Bill No. 17 to amend the Soldier Settlement Act, 1919—Hon. Mr. Stewart—Mr. Duff in the chair.

On section 1—Revaluation of land sold to settlers.

Hon. CHARLES STEWART (Minister of the Interior): For the convenience of hon. members the proposed amendments, as nearly as I could gauge the desire of the committee, have been drafted and hon. members will find them on their desks. The number of the bill is the same but hon. members will use the reprint in which the amendments appear.

In our discussion the other afternoon a very wide field was covered and with the Soldier Settlement Board I have gone carefully over the suggestions that were made in the committee, but I find there are innumerable difficulties in meeting all the requests. One of the most persistent and apparently one that was voiced by almost every member was that the soldier who might be desirous of re-establishing himself on his own land after revaluation should be given consideration. Owing to the provisions of the old act we find it exceedingly difficult to do that without a great deal of amendment, and after discussing the matter thoroughly with the board we came to the conclusion that in cases where there was a desire on the part of the soldier to re-establish himself on his own land, we would have to hold up the final closing out of his agreement, because after all it is nothing more nor less than an agreement with the board to purchase, and give him an opportunity, if he was able to re-establish himself, to come back on his land.

I am well aware that a much wider field was discussed, and I pointed out to the committee that owing to the fact that a very large number of these farms had already been disposed of and more of them were allocated, the large bulk of the land, if you can call it that, that would be left, would be land of very inferior quality and land upon which, of course, there would be a pretty heavy depreciation before it was sold. After discussing the matter thoroughly, I came to the conclusion that the best thing we could do in that case was to follow the suggestion of the board and notify immediately the party who was being closed out that he would be given a reasonable period of time in which to re-establish himself on his own land. Beyond that I do not think we can go. I discussed the matter with some of the members of the House pointing out our difficulties and they appeared to agree with me in that particular, that beyond that we could not very well go.

If the land is completely closed out, the provisions of the old act rather debar the soldier from securing the land, but we will use our best endeavours to place any man back on his land if the land is available and to give him an opportunity of taking advantage of the revaluation for which the soldiers themselves have been contending. That was the conclusion we came to in order to meet that objection.

The other contention was as to the method of revaluation and hon. members will see in the reprint of the bill our definition, as regards those who would be dealt with, of how depreciation will be computed. That is in paragraph (c) of section 68. It reads:

> The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present market value of the land as compared with the price at which the soldier agreed to purchase the said land from the board; provided that in any case where the actual sale price is greater than the maximum amount which under section 16 of this act may be advanced by the board in the purchase of land on behalf of any settler, such maximum amount shall be deemed the sale price for the purposes of this section.

That is the provision we made as to the method to be followed by the committee in arriving at a decision as to how much the depreciation, if any, should be on any given soldier settler's land.

In paragraph (e) we have provided for the composition of the district arbitration committee. I found a very wide variation of opinion amongst members of the committee with respect to how this should be done. Some were strongly in favour of having the whole matter left to the decision of the county court or district court judge. Others favoured an arrangement to be arrived at if possible between representatives of the Soldier Settlement Board and the soldiers themselves with provision for appeal in case of dispute. Having in mind the desirability of shortening this and trying to meet the views of the committee as far as possible, I decided to embody in the provisions of this paragraph the views of the board, that is to make the judge chairman of the board with a representative from the Soldier Settlement Board to be named by that board and a representative of the soldiers themselves. This would not involve any serious departure from the request that they be dealt with by the board where at all possible, but it would provide that the judge would sit on every case. The judge would be chairman of the committee and there would be one hearing which would be final. That would obviate the necessity of an appeal and it would bring the hearing close to the soldier's home, because as hon. members will notice, later on there is a provision that the hearing be held within the district of the county court or district court judge.

Mr. MEIGHEN: Does that apply to every case?

Mr. STEWART (Edmonton): Yes, there is no appeal.

Mr. HANNESSON: The majority of the board would govern.

Mr. STEWART (Edmonton): Yes, it would have to.

Mr. MEIGHEN: That is to say the representative of the Soldier Settlement Board, the soldier and the judge?

Mr. STEWART (Edmonton): Yes. They would have equal authority with the judge, although undoubtedly in every case the judge as chairman of the board would exercise considerable influence. It would be useless to deny that if the two representatives were in agreement the judge would simply ratify that agreement; but where they disagree he will be in exactly the same position as in the case of an appeal. The rest of the amendment is intended to conform with the previous changes as provided for in the act. These are the principal changes that are effected by the amendment.

Mr. MEIGHEN: I shall speak only for a few minutes and on one point, namely, the settlement of the question of revaluation. I do not think that the minister apprehends the entire effect of the plan he has suggested. If I understand it, that plan is that in the case of every revaluation there shall be a board composed of a judge of the county court, a representative named by the Soldier Settlement Board and, I presume, the veteran himself or someone acting in his behalf. Who selects the third man? Is it the soldier himself?

Mr. STEWART (Edmonton): Yes, if there is no veterans' organization in the locality.

Mr. MEIGHEN: And if there is one the organization selects the third man. I do not know what the minister expects to gain by that. I am so satisfied that it is not in his own interest to go on with that proposal that I am rather surprised at his having brought it in. In the first place it leaves the situation precisely as it was before in regard to all those cases in which the board and the settler are agreed on the valuation. In that event the situation is just the same as if there never was a board at all, for all they have to do is to go before the judge, who sits there powerless. Why go through the mummery of having a court if that is to be the proceeding? Of course I want the court, but such a court as this is a mere mockery. In every case where the representative of the board and the representative of the soldier himself are at one the judge has no more to say about it than if he were a wooden god. Consequently the minister's representatives will simply be given carte blanche to the treasury of the country in respect of all that wide sweep of cases, in fact over the whole thing, inasmuch as they can agree on any price they like. So that the minister would be in a position, if the representatives were such as have represented governments before, to do what he liked with the treasury to the extent of the whole value of the lands to be revalued. It is not right. The principle itself is wrong; it is false.

Suppose the minister leaves the other two representatives out: see where he is. He is in a splendid position in every single case, because the county court judge then fixes the valuation. The representative of the board

and the soldier's representative are both there, and they can argue the facts and produce witnesses; but the judge fixes the valuation and that settles it, so that the minister has no responsibility. Furthermore, the machinery is infinitely more simple, and is less expensive.

I cannot see the slightest thing in the world to be gained by putting these two men on with the judge. I do not think I idolize judges more than I should, but I submit that it is unfair to a judge to put a veteran's representative or a representative of the Soldier Settlement Board on a parity with himself. I do not think it is treating the bench as it ought to be treated by this House. I do not suggest that judges would refuse to act; I do not suppose they would. Indeed, I think that every one would help in any way he could. But we have to preserve the dignity of the bench, not for the sake of the bench, but for the sake of the people and in the interests of the administration of justice. This is not doing so. I therefore criticize the proposal on two grounds principally; first, that it leaves the minister carte blanche, just as was the case before; and secondly, that it is much more expensive than the other method I suggest and that no purpose can be served by it. And I add a third ground, namely, that it is not fair to the judiciary to put untrained men on a parity with a judge in the hearing of evidence.

Mr. STEWART (Edmonton): Why more expensive?

Mr. MEIGHEN: Because you will have to pay the representatives. If you create a board with a veterans' representative on it, you will have to pay him.

Mr. STEWART (Edmonton): We may have to pay one representative, yes.

Mr. MEIGHEN: Certainly, and to that extent it will be more expensive.

Mr. STEWART (Edmonton): We should have to pay him in any case.

Mr. MEIGHEN: No, I do not think so. If a soldier comes before the board for revaluation I do not see why it should be essential to pay a lawyer to act for him, although I have no objection to that course if the minister so desires.

Mr. STEWART (Edmonton): It would not be a lawyer.

Mr. MEIGHEN: Or anyone else who might represent the soldier. It may be wise to pay someone to represent him, but that is so much more added to the cost. The minister's plan is vulnerable at every point and I cannot see what he hopes to gain by it. In the honest administration of his office, in the faithful performance of this task, which I assume to be his only motive, he has nothing in the world to gain by having these two representatives acting in conjunction with the judge. On the other hand he has everything to gain by placing the whole responsibility on the judge, who in the fulfilment of his oath of office can assess the value of the land. To make the judge share that responsibility with others, indeed, to shift the whole responsibility from him whenever the soldier and the representative of the board agree, is to make a mockery of the bench and of the law as well.

Mr. STEWART (Edmonton): There seems to be considerable aversion to the cold application of the law in cases of this kind. I confess there is a good deal in the argument of the leader of the opposition (Mr. Meighen), but I have received representations from various sources confirming the advisability, with a view to settling the matter as expeditiously as possible, of having an arrangement made between the representatives of the board and the soldier himself, and in the event of such an agreement not being reached, of referring the matter to a judge. When the two were in agreement I cannot conceive that the judge would have very much to say on the question. He might review the case; he might criticize the agreement; and he might consider in certain cases even where there was an agreement that he had a right to interfere. And undoubtedly the weight of his counsel would have considerable effect upon both parties. It is not uncommon for a judge to act in such a capacity; judges have been doing so on commissions of various kinds where they did not exercise absolute control. I thought therefore that in this way the matter might be expedited. I do not like the idea of appeals, and it was in order to meet the point of view suggested by the various proposals submitted to me by the committee that I embodied this plan in the bill. I cannot agree with my hon. friend that it will cost more to have the county judge deal with it absolutely as a judge after listening to the representations made by each side. I am well aware, of course, of the method pursued in many cases of disputed assessment,—

Mr. MEIGHEN: And in expropriation.

Mr. STEWART (Edmonton): Yes; but I do not fear what he anticipates, that the judge's hands will be tied. Indeed I think he will exercise all his discretionary powers in each case. Where there is disagreement the

judge will agree with either one or other of the contestants, and that is what he usually does in every case that comes before him. This commends itself to me as the best method of speedily settling the whole matter. The Soldier Settlement Act is not changed in any particular with respect to the board. The board has pretty wide powers under the act. With those powers I have never attempted to interfere, and I do not propose to do so now. On the other hand, I cannot say that I have ever had very strong representations from soldier settlers as to what should be the composition of the board to deal with their cases. A great many of them say they are perfectly willing to leave the adjustment to a representative of the Soldier Settlement Board. Of course, one might infer that the board would be too generous, but I rather gathered the trend of the discussion in the House was that generally the board was not generous enough in dealing with the soldiers. My thought is that this will commend itself to the committee as a fair and equitable method of reaching an adjustment.

Mr. BOYS:: I should like to add a word or two to what my leader has said in connection with the method proposed by the minister. I cannot see any object whatever in having a committee of three. As has been said, if the two representatives agree the judge becomes a figure-head, the case is pre-judged and the decision is really reached before the case gets to him at all. On the other hand, if there is any disagreement—and I would be inclined to think if each did his duty there would be disagreement—it practically means the decision of the judge alone. Surely the minister must realize it will cost a great deal more, if there are going to be thousands of applications, for instead of the county judge presiding you will have a committee of three members. Surely to goodness the judge alone can hear the evidence quickly and reach a decision which will be fair to the soldiers. I am given to understand that members of the House who have been interesting themselves in this matter have received letters from many soldier settlers indicating a desire on their part that the county judge alone should dispose of these cases. I commend the minister for one change he has made; that is, each case must go before the county judge. I think it would have been unfortunate if the clause had stood as it was originally introduced. Now there cannot be much delay, nor can there be much expense. I am not going to advocate that the department should pay a lawyer to appear for the soldier settler. I think myself he can get people in the vicinity to give evidence as to the value of the land. I certainly agree with the minister that there should be no appeal. None has been suggested, as I understand, and none is provided. So we are in accord with that. Certainly it will save the country thousands of dollars to leave the matter to the county judge, and for the reasons I have stated it seems to me you will get a satisfactory decision in that way. If the case goes to the committee without being prejudged, it will be his decision which in the end will govern. You will have one arbitrator seeking a high valuation on behalf of the soldier, and presumably you will have someone on behalf of the department seeking a low valuation. The judge may make one come down a little and the other go up a little, but after all it is what he thinks is proper and he gives the decision.

Mr. STEWART (Edmonton): On the question of delay, my hon. friend is not arguing that because the committee are sitting rather than the judge it would occasion delay?

Mr. BOYS: I am not going to say it would increase the delay a great deal.

Mr. STEWART (Edmonton): Nor the cost.

Mr. BOYS: It goes without saying that if you have three people to agree on the date for the hearing it is going to take longer to get them in accord. The practice in Ontario which obtains in connection with overholding tenants would, to my mind, be the practice to adopt in cases of this kind. Application is received, and immediately the parties go before the judge and ask him for an appointment, which is soon arranged, and the judge at the time appointed hears the case and decides it. So while I am not arguing that the delay would be very much greater, it would certainly be greater to some extent. My main point is that you have a more satisfactory tribunal when you have the county judge, and the country might as well be saved the extra expense that a committee of three would entail.

A very excellent practice has been adopted by the various ministers in showing in italics all amendments to their bills. That practice has not been followed with this bill, perhaps through lack of time, but as a member of the House I do hope that excellent practice will be followed in future. It is so much easier to follow any proposed changes in a bill when they are printed in italics.

Mr. NEILL: Mr. Chairman, I am in a position to give the committee some direct information of the opinion of the soldier settlers in regard to this matter. The right

hon. leader of the opposition, not so much to-day but the other day when we were on the bill, emphasized the point that in his opinion there was danger of the soldier settler's representative and the political appointee, the second man, getting together in more or less collusion in order to cut the price down to the applicant soldier to make themselves good fellows with the soldier and thereby secure political influence. That is not the view entertained, at least by one fairly large body of soldiers in the district I represent. They have been hard hit by the old act and are hoping for a considerable reduction in the valuation of their farms. They are fairly well organized. I had a wire from them a few days ago, I have not it with me, but the gist of it is this. The bill contemplated a board to be composed of one man, the appointee of the government, being a Soldier Settlement Board man, one by the soldiers and a third by the government also. They object to that on grounds the very opposite to those expressed by the right hon. leader of the opposition. They seemed to fear that the government having two members on the board might be unfair to them, not too lenient. From past experience there is always a certain amount of antagonism between the man collecting debts and enforcing regulations and the party with whom he is dealing. While their whole point of view was not set out at length in the wire, it was to the effect that they did not think it was fair to them to have two men on the board appointed by the government. They wanted to have the third man appointed by the first two. I wired back that two alternatives had been suggested: one, that the third man should be the county court judge; the other —the proposal of the right hon. leader of the opposition—that the county court judge should be the sole arbiter. I asked them which of the two in their judgment they would prefer. They wired back at once to say they would be satisfied if the third man were a county court judge. I merely give that opinion for what it is worth, but there is a considerable body of men; they know what they want; they know local conditions and that is their point of view.

Mr. CLARK: Mr. Chairman, I would strongly urge upon the minister that he leave this matter to a county court judge alone. If the soldier wants to have his land revalued he must find a representative to sit on this board. In the district which the hon. member for Comox-Alberni (Mr. Neill) represents there is a body of soldiers probably one hundred in number. Is that not correct?

Mr. NEILL: No, that is not correct. Call it 250.

Mr. CLARK: There is a large number, at any rate. The fact is that in British Columbia farm lands generally have depreciated in value by almost 50 per cent since 1920, according to the statistics of the Department of Agriculture. That condition obtains all over British Columbia, and I imagine that in the district represented by my hon. friend the depreciation is greater than that; it is 50 per cent, at least. That will mean a great many arbitrations, and the soldiers will have to find representatives for each of these arbitrations. That means expense, because no man is going to sit as the third arbitrator for a period of months without some recompense. Who is to pay him—the soldier? He cannot pay because he has not the money; many of them have not enough money to buy clothing; they have been sticking it out for years waiting for a chance to get on their feet. They have had a heavy load to carry, a heavy indebtedness to meet yearly and they have not the money to pay an arbitrator. Then who is going to initiate these proceedings? The soldier must take the responsibility of initiating the proceedings, but who is to do it for him? Solicitors are not plentiful in the district which my hon. friend represents.

Mr. NEILL: There are enough solicitors for our needs.

Mr. CLARK: A few miles away, in all probability. There may be enough solicitors, but I know the solicitors on Vancouver island fairly well, and they are not very plentiful. They all have to earn a living. Who is going to pay the solicitors to initiate and continue the proceedings for the men who want to have their lands revalued? Who is to pay the solicitors, or the solicitor retained on behalf of a group of men? The proceedings will be costly enough without having a board of three men on every arbitration. Every arbitration conducted by such a board is going to take longer than would a county court judge sitting alone, because all the members of that board will have questions to ask; they are not men experienced in arbitrations, and the proceedings will be prolonged unnecessarily. On the other hand the county court judge knows how such proceedings should be carried on, and he is qualified to give decisions in judicial

matters such as these. I suggest that this wording is very vague indeed, as to how this representative is to be chosen.

A representative of the veterans' organization in the district.

Supposing there is no soldiers' organization in a particular district? I know that on certain islands on the British Columbia coast there is perhaps only one soldier settler; who is going to act for him? Who is he to appoint to represent him on the board? Can he act himself, may I ask the minister?

4 p.m.

Mr. STEWART (Edmonton): Yes, he can.

Mr. CLARK: Then we have this delightful anomaly of a man acting for himself—

Mr. STEWART (Edmonton): But what is the judge going to do to shorten these proceedings? My hon. friend is raising a barricade of difficulties now and I would like to ask him again wherein the judge will shorten the time expended?

Mr. CLARK: I am coming to that. Of course there are going to be difficulties; I am pointing out difficulties which I expect the minister to meet and which it is his duty to meet. These points have been brought out before, and I am surprised that the minister has not come back with a solution for them. Either we have this strange anomaly, if the soldier can act as his own representative on that board—

Mr. STEWART (Edmonton): I did not say that he could act as a member of the board; I said that he might appear and give evidence.

Mr. CLARK: I must have misunderstood the minister, but I certainly understood him to say distinctly that the soldier himself could act as a member of this board of arbitration.

Mr. STEWART (Edmonton): I did not say anything of the kind.

Mr. CLARK: Then supposing there is no soldiers' organization in a particular district, I would like to ask who is going to represent the soldier?

Mr. STEWART (Edmonton): If my hon. friend will look at the provisions of the act he will see that the soldiers, either by themselves of by their organizations, may nominate someone for that purpose, but not the individual soldier whose case is being tried.

Mr. CLARK: The words I am looking at are:

—and one a representative of the veterans' organization in the district.

Supposing there is no such organization in that district?

Mr. STEWART (Edmonton): My hon. friend will surely admit that where there are three or four settlers, they may organize themselves. That section which my hon. friend read is to give the men absolute scope in choosing the third member of the board.

Mr. CLARK: I am pointing out to the minister the case where there may be no settlement. I know of one instance where a soldier settler is on an island about 135 miles north of Vancouver; that man is the only settler on the island.

Mr. STEWART (Edmonton): Is he in a judicial district?

Mr. CLARK: Possibly so, but think of all the trouble that man will have in finding a soldiers' organization 100 miles away, and then saying to someone, "You come over here and act as my representative."

Mr. STEWART (Edmonton): If the soldier is furnished with a form upon which to make his application, with all the information necessary for the consideration of his claim embodied in that form, surely he can fill it in without the aid of a solicitor.

Mr. CLARK: He will certainly need a solicitor or someone to take his affidavit, which is provided for in the early part of the act.

Mr. STEWART (Edmonton): He can go before any justice of the peace, and if that man is 150 miles away his case will get the same consideration; it will be examined by the board and will be presented to the tribunal by the board. I have asked my hon. friend before wherein the difference would lie between going before this tribunal and appearing before a county court judge?

Mr. CLARK: I will answer that question now. In the first place the proceedings before a county court judge will be much more expeditious than those before three men inexperienced in judicial proceedings. Secondly, the proceedings before a judge will be very much more economical to the man than the proceedings before such a tribunal. Because, I maintain, somebody must pay this soldier's representative. You must either have a man chosen at random for each particular arbitration, a man who knows nothing about arbitration proceedings, to act on behalf of the individual soldier, or you must have one man—

Mr. STEWART (Edmonton): Surely my hon. friend is again building up a barricade.

You would not have more than one member of the arbitration board in any judicial district. My hon. friend is not suggesting that every individual case has a different arbitrator?

Mr. CLARK: That is my point. Let me put myself in the position of the soldier settler. I have been struggling there for three or four years. My neighbour may be quite satisfied with the particular representative for his man on the board. I might say "No; that man will not do for me, I will not have him at any cost. If I am to be entitled to somebody to look after my interests on that board then I insist upon having some voice in the choice of that man. He must be my nominee." I would not submit, and I am certain the soldiers in any district would not submit to what is proposed here.

Mr. STEWART (Edmonton): May I ask my hon. friend another question: In the adjustment of pensions under the soldiers' civil re-establishment is there not a paid individual who acts on behalf of the soldiers in every province? My hon. friend is aware of that?

Mr. CLARK: Yes.

Mr. STEWART (Edmonton): Well, did my hon. friend ever hear any individual soldier say that this man was not going to be permitted to act for him?

Mr. CLARK: That is quite a different matter. That man is not adjudicating on his case, he is an advocate.

Mr. STEWART (Edmonton): That does not prevent the soldier from having any representation made before the board on his behalf through anybody he likes.

Mr. CLARK: I am afraid the minister does not appreciate the case at all.

Mr. STEWART (Edmonton): Surely my hon. friend would not suggest that we should have anything so cumbersome as changing the arbitrator for every individual case. The one committee would deal with every case in the judicial district.

Mr. CLARK: Then if that is the minister's intention I say emphatically that the individual soldier has no representation on that board at all, none whatever, and it would be far better to trust himself in the hands of a judge, who is sworn to do his duty and who is trained in judicial matters, than to trust himself in the hands of somebody appointed in the manner proposed to look after his interests on the board. I may be a soldier and I may be quite satisfied to have the minister, for instance, as my representative on that board.

Mr. STEWART (Edmonton): I beg my hon. friend's pardon.

Mr. CLARK: I say that I as a soldier settler may be quite satisfied to have the minister act for me on the board, if that were possible, or I may prefer somebody else. If the soldier on the land is to be represented on this board of arbitrators then he must have some voice in the selection of that third man. On the other hand the minister's suggestion is that the same man shall represent the soldiers on the board in a particular district. He asks me wherein it would be easier if the judge alone were acting and I tell him this: If the same board acts in fifty or two hundred and fifty cases you must pay that board. Who is going to pay the costs? Is the soldier going to pay the costs of his representative on the board? Is that man to be paid remuneration from day to day for each day that he sits?

Mr. STEWART (Edmonton): The representative of the soldier?

Mr. CLARK: Yes.

Mr. STEWART (Edmonton): Oh, undoubtedly. You could not expect the soldiers to pay this man themselves. The government will have to pay him.

Mr. CLARK: Under what authority?

Mr. STEWART (Edmonton): It is provided for in the bill.

Mr. CLARK: I read there:

> Expenditures necessarily incurred by any district arbitration committee shall be paid out of monies appropriated from time to time by parliament to soldier land settlement.

That means the expenditures incurred. That does not mean they are entitled to any special remuneration. That does not entitle the Land Settlement Board, or the government, to pay the soldiers' representative one penny as far as I can see. Personally I would feel inclined to move an amendment unless the minister can see his way clear to reconsider this provision. I think such a board is an absurdity, I think it will be cumbersome, I think it will be unfair to the soldier, and that the minister will be well advised to leave this matter with the county judge. I think the same people will be brought into operation if the county court judge is acting alone as will be brought in here. In this way: The board will get together and they may agree upon a fair valuation based upon independent

reports. In that case an application can be made before the judge to confirm a certain valuation without any long-winded hearing of evidence, but upon proper affidavits or proper valuations from independent sources. The judge determines at this sitting in a judicial capacity. The responsibility is his to peruse these valuations and affidavits. If these two men cannot go and make this application before the judge by consent it must mean a more or less contested application in each case, the judge and the two arbitrators hearing the evidence viva voce, and giving a decision upon that evidence. That will mean that valuators, and so on, will have to go before the board personally and give their evidence as to valuation, whereas if the county court judge is sitting alone the soldier may get independent valuators to go before him in case of a contest, and the independent evidence will convince the judge very easily. Or the two representatives together will go before the judge with affidavits by agreement after having arrived at a valuation which they consider fair. I feel very strongly that this section should be amended and the judge alone made the sole arbitrator from the points of view of expense and of fairness to the soldier concerned.

Mr. BOYS: I just want to make sure of paragraph (g). I think we can apprehend its meaning but I will read it:

> Expenditures necessarily incurred by any district arbitration committee shall be paid out of monies appropriated from time to time by parliament to soldier land settlement.

I understand the purpose of that paragraph is to devise a means to pay these two representatives. Am I right or wrong in that?

Mr. STEWART (Edmonton): I did not quite catch my hon. friend's question.

Mr. BOYS: I am dealing with paragraph (g) which I have just read, and I take it for granted the purpose of that paragraph is to provide funds to pay the members of this committee?

Mr. STEWART (Edmonton): There will be the necessary expenses, yes.

Mr. BOYS: That would be their travelling expenses, of course, and there would be a per diem allowance. I think we may assume the per diem allowance would not be less than $10 a day, at least. With two men to provide for that would be $20 apart, from the county judge. Now, I do not know whether the minister has reached a decision as to what the policy of the department is to be in connection with this valuation. Suppose, for instance, the soldier makes application for a revaluation and he claims that the land should be worth only four thousand whereas he paid six thousand. Suppose the department is of the opinion that the valuation of four thousand which he sets is altogether too low. Would it be the intention of the department to provide counsel, on its behalf to appear and to contest his application with some degree of vigour as would be done in any ordinary case before the Exchequer court, or is it the intention of the department merely to leave the soldier on the one hand, and perhaps to have some lay representative of the department, prepare the case and go before the county judge? I would be almost inclined to think that the department, when they were contesting a case, would want to follow it up with some degree of vigor, and would probably have some qualified person present to act for them. What about the soldier? I know a few in my own county, but we have not very many there. From what I have heard in regard to this matter, there must be many soldiers who could not afford the expense of securing counsel to appear for them and present their case, and there is no provision in the bill regarding costs. Suppose a soldier without means, but with a good case, having confidence in it, decides to go before the board and wins his case; is he to be at the entire expense of securing counsel if that be necessary? Is he to find money for witnesses? Is this board to be in a position to award to that soldier, in case of success, a reasonable allowance for expenses? I think if he succeeds he should get his expenses. Of course if a soldier presents a case which has no merit and fails, he should not get costs. In such an extreme case, if the soldier were worth anything, perhaps he should be made to pay some of the costs. I am not advocating that proposition, but that could be argued and I want to present that feature of the case to the minister.

I want to make a concrete suggestion in the first instance. The fee for counsel would be $10 a day or more, and might easily be $20, but I am satisfied it would not be less than $10 for each of the men. I should think, if you had much of a contest, the average duration of a case would be a day, two days or perhaps a day and a half, which would mean two days. There you have two days at $10, and that would mean an expense of $40. I would suggest that you should make an allowance to the soldier of anything he saves in revaluation. If he demonstrates he has a good case, he should be allowed $30 or $40 at least, which would be merely the cost this legislation is going to impose upon the country, and give that to the soldier to get

an expert witness as to valuation. If you want to go a step further, I would be prepared to support the proposition that where a soldier brings his claim before a judge and succeeds he should be allowed reasonable expenses in pressing his claim. It is done in the Exchequer court and every other court.

I have not heard a word from the minister as to what good he thinks is going to be accomplished by a membership of three on this committee. What suggestion does he make? If there is disagreement between the two the judge will decide anyway, therefore why not let the judge deal with the matter? It will certainly be less expensive. The case will not last as long, and if you want to dispose of a little of the country's money, instead of giving it to useless men on the board—not useless as far as the men are concerned, because the judge will ultimately decide the case—use that money to help that soldier press his claim. I would make it contingent upon his success, because if he chooses to bring a case asking for a re-valuation in the hope of getting a lower value placed on the land, and fails, I should not suggest that he should get any of the money.

Mr. STEWART (Edmonton): Nor any assistance to bring the case?

Mr. BOYS: I did not say the soldier should get any assistance if his case is not meritorious. I can quite understand that if you put in a provision allowing a certain sum in cash to the men, it would be an incentive, perhaps, to bring cases that were none too meritorious. I do not go that far at all, but where there is merit, I say we should help the soldier, and I certainly think there must be very many meritorious cases. In my own county the returned soldiers may be better off and may have greater opportunities than in some of the remote parts of the country, but I feel satisfied there is not one that really has the money to properly handle his case before the judge, and in the west, of course, the costs are heavier. What are the witness fees to be paid? Suppose you confine yourself to the law obtaining in my province and probably in other provinces. The law permits the calling of three experts. Where are you going to get three experts out west to travel a hundred miles to attend a hearing, unless you have a nice little sum at your disposal? Where is the money to come from Is the soldier not to be put in a position to secure redress? You have a provision in the bill that, where the applicant is successful, out of any award that is made a sum is paid in cash. I believe it is going to be the policy of the department to employ counsel. I am not saying it in a nasty spirit but it is done in all cases. If the department has counsel, in what position is the soldier placed, if he has not money and cannot get competent witnesses, to say nothing about employing an advocate of sufficient ability and experience to properly plead his case

Dealing with the question of arbitrators, you have two tribunals, one is the ordinary judicial tribunal where you have a judge presiding. The other is a board of arbitrators. As far as I know in all arbitrations you have one arbitrator selected by one of the parties concerned and the other arbitrator selected by the other party. It is the duty of those two arbitrators to do their utmost to secure the best results for those who appoint them. Then the third arbitrator is, as a rule, selected by those two arbitrators and is supposed to be an independent man. In this case the soldier is not going to have the same right in that regard. The department will have a man there who will be specially instructed, whose duty it will be to keep that man as near to the original value as possible, because I take it for granted the department would not fight a case if they did not think they had a right to do it. They would be willing to agree to a lower valuation before going to court if they had doubt about the matter. They are going to fight to keep the valuation up. Who will appear before the tribunal with the same degree of interest on behalf of the soldier? I do not say that there would not be any representative of the soldier. I have a great deal of faith in the representatives of the soldiers on our various boards, and I have nothing to say against them. I think it would be the desire on the part of the veterans' organization and the Soldier Settlement Board to do whatever they could for the soldiers, but nobody suggests that that representative would have the same interest as the soldier himself, or as the representative of a party to an arbitration would have.

For the reasons I have given, I think the minister should leave this with the county judge in the district, and if he wants to hand out any money, instead of giving it to the members of that committee, who are not going to improve the situation but will of course impose expense on the country, better take that $30 or $40 and give it to the soldier to help him present his case.

Mr. STEWART (Edmonton): I agree with a great deal of what the hon. member has said, particularly with his remarks in respect to arbitration. I do not share in his

fear about the soldier not being represented, but I do share his view that the representative of the soldier and the Soldier Settlement Board are very likely—

Mr. BOYS: I did not say the soldier would not be represented. I said he would not be as well represented on that committee by the appointee named by the government as he would by an appointee named by himself.

Mr. STEWART (Edmonton): I think the hon. member is wrong in speaking of an appointee named by the government. Bear in mind that the representative who will be on the committee will be a member of the Soldier Settlement Board; he will be named by them.

Mr. BOYS: It does not say so.

Mr. STEWART (Edmonton): Yes he is to be named by the Soldier Settlement Board.

Mr. BOYS: The sub-section provides that the minister may appoint a district arbitration committee, and one of them shall be the county judge and two others are named, one from the Soldier Settlement Board and one from the veterans organization in the district.

Mr. STEWART (Edmonton): Surely the machinery is there to make the appointment. I was seeking to get away from this thing entirely as minister. Of course, I cannot get away from the responsibility of it any more than the minister can get away from the responsibility of the Soldier Settlement Act, but surely the House does not hold the minister responsible for all the doings of the Soldier Settlement Board. He is, as minister, responsible for the board, but the board itself will name the representative who will sit on this arbitration committee.

Mr. BOYS: The bill does not say that.

Mr. STEWART (Edmonton): It says through the minister. The minister is in charge of the board. If necessary I will change it to the effect that the board will do the appointing, if that will help the matter in any way, but I do not think it will.

Mr. BOYS: If the minister is going to make any changes, he should change the composition of the committee. Will he give us some good reason why he wants three members on the committee instead of just the county court judge?

Mr. STEWART (Edmonton): I pointed out a moment ago that where one of the representatives on the committee is a representative of the Soldier Settlement Board, he is a government official and as it is the actions of the board that are on trial, he will be liable to protect the interests of the government. That, I think, is a fair argument. On the other hand I leave it to the local soldier organization to appoint their representative.

Mr. HANSON: That is just where the minister falls down. Under the correct wording of that section the minister himself as head of the department designates a man who comes from a particular class, a representative of the soldiers.

Mr. STEWART (Edmonton): But to be named by the organization.

Mr. HANSON: That is not what the bill says.

Mr. STEWART (Edmonton): Does my hon. friend want the organization to name the man and that he shall be appointed?

Mr. BOYS: If the minister must have it, but that is not what I want at all.

Mr. STEWART (Edmonton): I am willing to do that. I am willing to step as far away from this thing as possible for political advantage or otherwise, but I want the committee to understand what we are trying to do and I want to argue why I think the arbitration committee is preferable to the judge alone. I am going to base myself on the very argument presented by my hon. friend, and that is this. I do not want the representative of the soldier to be changed on every individual case; neither will any of my hon. friends contend that. The judge has jurisdiction within the particular district, and if he is to be the sole arbitrator he will deal with every individual case in that whole judicial district. I fail to see why anyone should desire that every little corner should have a special representative. Surely they can agree upon some man who will present their case. I admit at once and I do not think anyone will deny that the representative of the Soldier Settlement Board will be named for the judicial district and will sit on every case in that district.

Mr. HANSON: By whom?

Mr. STEWART (Edmonton): By the Soldier Settlement Board, or by the government, if you will. There is no objection to that, I take it. Then you are right in the face of my hon. friend's argument that this result will come about, namely, that you have the client represented, of course, by a representative of himself on the board and naturally the representative will bring him with him because he will appear there—

Mr. BOYS: I object to that statement, "of course." That person is not appointed by him. It is true that a person is appointed by an association of which he may or may not be a member.

Mr. STEWART (Edmonton): It is a very difficult thing to get down to individual cases. I do not agree with my hon. friend in his argument that just because a soldier, in the opinion of the board and consequently in the opinion of the minister, has not a good case, he should not be given any facilities to reach the court or the judge or the committee.

Mr. BOYS: I am not going to argue that far.

Mr. STEWART (Edmonton): I do not believe we would get very far with that sort of thing, but I am going to leave it for the moment. If you leave the matter to the judge, you will have the condition of affairs pictured by my hon. friend, of counsel appearing for the government and counsel appearing for the soldier. What does this mean? It means a hard and fast trial before a judge, settled on a point of law.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): I do not think anyone can refute that. It means that and nothing else.

Mr. BURY: It could not possibly be settled on a point of law; it would be settled on a point of fact—the fact of value. The minister misunderstands the meaning of the phrase "a point of law."

Mr. STEWART (Edmonton): I am quite ready to be corrected on points of law as I am a layman, but I will challenge any of my legal friends to prove to me that an investigation held with the judge sitting as chairman of the board will not be less expensive and will not entail less legal array on both sides of the case. It will be rather a case of arbitration, because that is the name of the committee, the soldier coming before them if he so wishes. I cannot speak for all the provinces of Canada, but I can speak for my own province where the judge goes around to the smaller centres and holds his court. There is no reason why the committee cannot travel to those small centres and thus make it cheaper for the soldier to appear and bring his witnesses, lessening the cost, instead of having the cold and hard factor of law, which the hon. member for East Edmonton (Mr. Bury) speaks of, brought out before a county court judge. If you have lawyers there—and I do not say you can keep them out—I am going to say to my hon. friend that it will be hard for the soldier.

Mr. BOYS: Why does my hon. friend press that point? Has he heard me suggest that there should be any lawyers there? I asked him what the policy of the department was to be as to pressing their side of the case and I gathered from what he said that they are going to have somebody there. If he wants to provide against lawyers appearing, let him say if he likes that the case be heard without lawyers. I am a lawyer, but I am willing to have it that way. I cannot understand how the minister thinks it is going to cost less to hear a case before three people, one of whom is the county court judge, than to hear it before the judge alone. The minister and I are old friends. He comes from within a few miles of where I live and I remember the highly judicial attitude he used to display in years gone by in the county of Simcoe. I know he knows something about law; he was even an assessor in his own township years ago and he learned something about municipal law. He is not green at all; he is a man of excellent judgment. But why does the minister introduce that point? How is any lawyer going to be involved in this? There is one question alone and that is the value of the land. The question of law does not and cannot arise. The question is purely as to whether you are going to have one or three men to say what the value of the land is. Perhaps I have interrupted the minister too soon and he may have some other arguments. I may say to him frankly that he has not advanced a solitary argument so far as I am concerned—and my mind is open—to show me that he is going to get any good results or save one cent by the process he has adopted as against the one advocated. Anyone who has any independent thought must see that a committee is going to lead to delay. The minister speaks about the tribunal moving about. Is it not easier and less expensive for a tribunal of one to go to the locality in which the land is than for a tribunal of three to go there? How can there be a saving of expense by having three on the committee? I know many people say that the district judges have not enough to do, but I do not subscribe to that. Some of them may not have as much as they can attend to, but many of them to my knowledge have a good deal to do. At the same time, however, I do not think that they have so much on their hands as to be unable to undertake this work as well. I think un-

doubtedly that the district judge should do in this matter as is done in the divisional courts throughout the country: he should hold his court in the place most convenient to the soldier and to the witnesses who would have to attend the trial. And the judge himself could go to that place, more conveniently and at less expense than could a tribunal of three. Perhaps I interrupted the minister too prematurely. In that case I still await with interest the convincing arguments that are to come to show why a tribunal of three will be less expensive and more practicable than a tribunal of one, that one being an independent judicial officer.

Mr. CLARK: Does the minister say that if the judge is the sole arbitrator then the department proposes to be represented by a lawyer on each of these arbitrations?

Mr. STEWART (Edmonton): I did not say that.

Mr. CLARK: But that if, on the other hand, the tribunal is to consist of three, composed of the judge and two others representing the board and the soldier, the department does not intend to engage a lawyer? That is the inference that must be drawn from the minister's remarks.

Mr. STEWART (Edmonton): My hon. friends know that many of the representatives of the board are lawyers who naturally are better able to protect the interests of the board than a non-professional man could.

Mr. BOYS: That would be hard on the soldier, who in such a case would have a lawyer against him.

Mr. STEWART (Edmonton): I admit that at once, but I would point out to my hon. friend that the representative of the board, whether a lawyer or a layman, would undoubtedly have considerable experience in any case. He is dealing with these matters every day and is quite familiar with them. He knows the values of the lands and he can put up arguments to support his case, arguments which the soldier who is busily engaged in working his land, no matter how clever he may be, is not in a position to dispute if he appears in his own behalf. I should expect a representative of the settlement board to be a man of standing and judgment, and one who would be able to see that the interests of the board were protected without injustice to the soldier himself. My hon. friend tells me that I have not advanced any argument. Well, the strongest argument I have to offer is this, that by adopting the plan I have suggested, the proceedings will not have the cold judicial character of a court in which there is formal submission of evidence. My hon. friends will not agree with that.

Mr. HANSON: Per se, is that a harmful thing?

Mr. STEWART (Edmonton): I am not suggesting that it is harmful, but I am of the opinion that the proposal I have submitted will make for a lower cost in the long run.

Mr. BOYS: Will the minister tell us how it could possibly do so?

Mr. STEWART (Edmonton): I shall try to if my hon. friends will give me a chance and not too frequently interrupt the trend of my statements. My argument briefly, is this: you cannot conduct a court without the employment of certain legal machinery. At least, I have not seen it done except in the case of an assessment court before which I have appeared in defence of my own position. In that case the municipality was represented by a lawyer, and I spoke only through him. In nine cases out of ten in which facts were heard by a court my experience has been that the appellant was represented by a lawyer. I am convinced that appeals to the courts are expensive. This conclusion I have been forced to after an experience of some seven years, during which time I have frequently settled matters outside, sometimes giving away more than I thought I should have done in the interests of the municipality in order to keep expenses within bounds. For there is no doubt about its being an expensive matter. A number of soldiers who have spoken to me have suggested that in cases where the board and the soldier could agree the matter might be settled by arrangement and, if it were thought advisable, referred to a judge for review, the court being resorted to only in the event of a disagreement between the board and the soldier.

There is no use in arguing that the soldier will be saved any money by one course in preference to the other. He has to submit his claim for consideration, whether it be by a committee consisting of a representative of the board and himself, or by some other tribunal. In order to facilitate matters the board has prepared forms which the soldier can fill out giving all the particulars necessary for the consideration of his case. He makes an affidavit that to the best of his knowledge and belief the statement he submits is a correct report of the conditions under which he is trying to carry on his farming operations. The board, on the other hand, if it disagrees,

naturally prepares a counter statement showing why the man should not be given the consideration for which he asks. I must say that I do not see any necessity for the employment of legal representatives to act on behalf of either party. It seems to me that they might quietly go before the board, submit their case, and have the arbitration committee settle the matter. I do not, of course, suggest that the judge could not do the same thing, but I fail to see where any reduction in expenses could be effected. I repeat what I said a few moments ago, that to my mind the strongest argument in favour of the plan suggested is that it will make for a more satisfactory settlement. You will get a better judgment from the representatives as named in the amended bill than you will from the hard and fast adjudication of the court itself. I may be wrong, but that is my conviction.

Mr. BOYS: The minister says that the soldier makes his application and supports it with an affidavit, and that the department rejoins with another. Am I to infer that this is to be the method of determining the value of the land?

Mr. STEWART (Edmonton): No.

Mr. BOYS: That is what I thought. Well, then, is it not the intention that witnesses shall be called either before a judge or before a tribunal of three?

Mr. STEWART (Edmonton): I hardly think it will be necessary to call witnesses in many cases. There may be a few serious cases of dispute, but on the whole I do not think that witnesses will be necessary.

Mr. BOYS: I warn the minister that if he does not provide in the bill that the evidence shall be documentary in the form of affidavits, there is not the slightest doubt that expert witnesses will be called to give evidence as to the value of the land. If the minister does not intend that witnesses shall be called, he must make some provision in that respect. Now, the minister speaks of a hard and fast legal tribunal. But what is the difference between a county court judge sitting alone, and a county court judge sitting on a tribunal of three? Are you not going to have the same evidence, the same documents submitted, and the same degree of activity and pressure in either case? So far as that answer goes, therefore, it is of no weight. If the minister lays it down that the soldier shall present his case in the form of an affidavit and the department shall do the same, I do not think it makes much difference whether the tribunal consists of three or one, except as regards the greater expense entailed in the larger body.

Mr. STEWART (Edmonton): The appearance of the soldier would not be precluded. When the form has been duly filled out applying for consideration, it must be backed up by an affidavit.

Mr. BOYS: I understand that. Then the next step is the hearing of the case.

Mr. STEWART (Edmonton): The next step, if the board is not in possession of the full information, will be to send someone on a visit of inspection to the farm. The information submitted to the board might not agree with the complete facts as disclosed by that visit. Of course, I am anticipating a good deal; I have not thought out the form of procedure precisely. The next step would be to estimate the value.

Mr. BOYS: The minister surely does not mean that that is the procedure under this legislation. The application is made, and the committee must meet and hear the case. The case can be heard in one or two ways: either documentary evidence alone is accepted or a date is fixed for the hearing of the parties. Now, I have not the slightest doubt that this is what is contemplated by the bill.

Mr. STEWART (Edmonton): I say frankly we could not think of precluding the submission of evidence.

Mr. BOYS: Then if this stands in its present form you have the three of them and the parties appear either with witnesses or with counsel. So you have the same procedure, but in one case before three men and in the other before a single arbitrator.

Mr. MULLINS: Mr. Chairman, I have been trying to get your eye for some time. Apparently the legal lights would like to hold the attention of the committee all the time. I want to bring a little horse sense into this discussion. For my part, I want nothing to do with the county judge. I do not want him on the bench either as a judge or in an advisory capacity. I want to see the soldier settler represented on that committee by one of his own number off the land. With all due respect to my legal friends, why should we select the county judge to the exclusion of the man on the land? If the minister will provide a small fee to bring the soldier from his district before the board, it will meet with my approval. I think I have more returned men in my constituency than has any other member.

Some hon. MEMBERS: Question.

Mr. MULLINS: I think my friends will find that I have as many returned men in my constituency as they have in theirs. I have had petitions from the men themselves, and they have asked to be allowed a representative on the board. As their member, it is only fair that I should ask that for them. The hon. member for Brandon (Mr. Forke) says there will be no more Conservative members from Manitoba after the next general election because the Progressives and the Liberals are united and have got horse sense. He may be correct. Anyway, I am not playing politics in this. I only want to play the game fair. I think the minister has a bill which meets with the approval of the returned men and of the soldier settlers on the land, who are asking for redress, for some assistance in the way of revaluation. During my campaign I met many of them, and I found they were all struggling grimly to hold on. After being three or four years at the front they were anxious to re-establish themselves on the land, but they were too keen and took their land at an exorbitant price. Now it is only fair to re-value that land and give those men a chance. Let me say to the minister in an advisory way: Help the men, the men that left their land for a few months or during last summer, help them to get back. Help them to get into live stock, and have a practical man travel through the country to teach those men how to carry on with mixed farming. The bill in my opinion meets with the approval of the returned men in Marquette.

Mr. HAY: Mr. Chairman, I heartily endorse what has been said by my hon. friend from Marquette (Mr. Mullins) with respect to the clause now under consideration. There may be other clauses that I do not agree with, but I will deal with them when they are before the House. I am in favour of having a committee appointed as provided by the bill. I am not favourable to having a trial, as it were, of a judicial character before which the returned men must come in order to prove their case as to revaluation. I believe the soldiers themselves would be opposed to such a scheme and would rather favour the present arrangement. I do not believe it would cost as much as if they were compelled to go before a county judge. It would be necessary in a case of that kind, as the minister states, to have legal advice, because as laymen we do not favour court proceedings very much and we are not anxious to get into court more often than we have to. Consequently I believe the soldiers themselves favour the arrangement provided for in this clause. I am not looking at it from the political point of view, I am considering it from the angle of the soldier settler who wishes for a revaluation of his land. I certainly approve of this section as brought down by the minister.

Mr. MURPHY: I have two questions to ask the minister. First, has he received representations from soldiers individually or from soldier organizations as to the manner in which they prefer to have the revaluation made? Second, with regard to this clause:

> The minister may appoint district arbitration committees having jurisdiction in such soldier settlement districts as may be necessary, each committee to consist of three members, one of whom shall be the judge of the county or district court, as the case may be, of the county or judicial district within which the land is situate, such judge to be the chairman of the committee, one a representative of the Soldier Settlement Board, and one a representative of a veterans' or settlers' organization in the district.

Is the minister to appoint the representative of the soldier's organization on his own initiative, or will he do so on the recommendation of the soldier's organization itself? That is a very important point. If the soldiers themselves, through their organization in the district, choose their representative, then I do not think there can be any objection, but if the minister appoints the representative arbitrarily then I think there is room for criticism.

Mr. STEWART (Edmonton): We have had no representations from soldier organizations.

Mr. MURPHY: Or individually?

Mr. STEWART (Edmonton): No, I have had nothing from soldiers individually. I have not had the opportunity of presenting this matter to them, I have been taking the consensus of opinion of hon. members with respect to the method to be pursued. As to the appointment of the representative of the soldiers, undoubtedly there will be some difficulty, as pointed out by my hon. friend from Vancouver-Burrard (Mr. Clark) in judicial districts in British Columbia, for instance, where owing to the mountainous nature of the country the soldier settlements are not in such close communication with one another as they are on the prairies, and consequently difficulty might arise in the various communities not being able to agree upon a representative. But I may say to my hon. friend that I propose to accept the nominee of the soldiers' organization for the third member of the board.

Mr. McQUARRIE: Which organization?

Mr. STEWART (Edmonton): I have named two. If there is an organization in existence, we can accept the representative from that organization. If there is not any existence, there is nothing in the world to prevent the soldier settlers interested getting together and naming a representative.

Mr. McQUARRIE: But you may have a number of these organizations.

Mr. STEWART (Edmonton): I realize that and admit frankly the difficulty so far as British Columbia is concerned. My hope was that the one representative would serve for the judicial district, but I am given to understand that that difficulty does exist in British Columbia.

Mr. McQUARRIE: Whose advice would the minister take?

Mr. GEARY: I think the minister is a little in error as to the trial, as he calls it, which may occur before a judge. Would the minister remember that the reason he is putting a judge on this board is because of the experience any man on the bench gets in adjusting belief as to matters of fact, as well as of his knowledge of law. A very important quality of a judge is his ability to adjust conflicting questions of fact and get at the truth. May I also point out to the minister that a board of arbitration consisting of three members is in practice a farce. One party appoints one member; the other party appoints another, and the third member of the arbitration is appointed in some other way. The result is that the third man is the final adjudicator; the other two are counsel. Are we to have that sort of a board with one member, in effect, sitting for each party, and back of them again lawyers for the parties? I merely suggest to the minister that he is complicating matters by having a three-man board. It would be much more simple to create a one-man board.

Mr. STEWART (Edmonton): I cannot agree with my hon. friend.

Mr. GEARY: Then I think that is about the end of this discussion, so far as it goes, and I would like to get on to some point about which there is some opportunity for discussion. I think the House has covered this point pretty well, and if my hon. friend makes that his decision, I do not think we are usefully occupying our time.

Mr. STEWART (Edmonton): I do not wish to take issue with anyone in respect to his views, but I cannot help thinking that the two hon. gentlemen on the other side of the House (Mr. Mullins and Mr. Hay) have perhaps touched the vital point in this matter. I have no personal objection to a judge, I may say frankly, but I have reached the point in my own mind, judging from the arguments presented in this House—and I very frankly confess that I have not asked for outside opinion—where I think all parties will be better satisfied with the tribunal as provided for in the act than they would with the judge acting alone. That is my conviction at the moment, and of course one must stand by his convictions. I would be the last to criticize our judicial tribunals; I think our duty is to sustain them whether we like their decisions or not, but I do feel that in this as in many other cases where the judge is made chairman of the board, he will have some control over the committee, but after all it will not be a judicial hearing in the real sense of the term—

Mr. GEARY: It never is; it could not be.

Mr. STEWART (Edmonton): —but will rather tend to give all parties a fair opportunity—

Mr. McGIBBON: I would like to get some assurance from the minister that he will give the soldier some protection. Parliament is now trying to redress an injustice done the soldier when he was sold land at inflated prices. I do not see how the soldier is going to profit very much by this court, or call it what you will, unless there is some provision whereby his case will be properly presented. That means that the government must get behind him with a certain amount of money. If the government does not do that the case of the soldier will not be properly presented and he will not in the end get justice. It seems to me that this is the important question in this whole undertaking. The soldier should and must have the right to select his own counsel, and that counsel should be paid by the department. Presumably the soldier has a credit balance in this country; if he has not a credit balance, due to his war service, this bill has no right to be before parliament. A part of that balance should be used in pressing his claims and I submit, Mr. Chairman, that unless the government makes some provision whereby he can obtain a certain amount of money by means of which his case may be properly presented, he may not get justice.

5 p.m.

I am not reflecting on the good intentions of the government, nor on the purposes of the bill; it makes very little difference to me

whether you have a one-man tribunal or a three-man tribunal; the soldier will likely get justice in either case if his case is properly presented. I would like the minister to give some assurance that his department will place a reasonable sum of money to the credit of the soldier in order to allow him to select his own counsel for the presentation of his case. If I were a soldier I would want a lawyer—and a good one—to present my case, and I think the more ably it is presented the more success he will have.

Mr. GARLAND (Bow River): May I ask one question? I understand that there are about 10,000 cases which would be affected by this legislation; there are probably 15,000 men who would make application for revaluation. Would the hon. gentleman who has just taken his seat give us some idea of the expense his proposal would entail?

Mr. McGIBBON: I am not concerned with the expense; all I am concerned with is that justice be done to these men, and if this bill is not intended for that purpose it has no place before us.

Mr. GARLAND (Bow River): We are all trying to do that, but this idea seems to me rather impractical.

Mr. BROWN: Now that we have agreed that there must be a revaluation it becomes a very important question as to what tribunal shall undertake this task. There is a good deal of truth in the old saying that the best committee is a committee of three with two members absent, and there is a good deal to be said for the contention that the county court judge should act in this capacity. I think, however, that it might be just as well for us to recognize the fact that the ordinary individual has some little suspicion of courts of justice. I do not share in the prejudice against judges and lawyers, but I think perhaps we should recognize that it does exist, and it seems to me that a court constituted under the terms of this bill would make a greater appeal to the men who are directly affected than would a county court judge acting alone. It might be well to point out that the right hon. leader of the opposition took the ground that there was some danger that the interests of the country might be jeopardized, and that the representative of the Soldier Settlement Board—who might be spoken of as the representative of the government—would be likely to sacrifice the interests of the government. On the other hand the member for Vancouver-Burrard (Mr. Clark) took the stand that it would not be fair to the soldier to have this board constituted as this act provides. Those two gentlemen drew two different conclusions from the same premises.

I think there is also a misapprehension as to the spirit in which this tribunal is likely to deal with these matters. I do not anticipate that it will be in the nature of a hard and fast legal trial, or a board of arbitration in which the representative of each party to the dispute is trying to get something excessive for those whom he represents. Naturally, of course, the soldier in the case will want to get his land revalued at the lowest possible figure, but, I do not anticipate that the representative of the Soldier Settlement Board will try on the other hand to secure the utmost he could possibly get from that tribunal. I anticipate that the attitude of the Soldier Settlement Board will be that a large measure of reduction in most cases is necessary, and instead of taking the attitude that it will get the highest possible value placed upon the land it will meet the soldier settler in the spirit of give and take and try to arrive at an amicable decision.

Now as regards the matter of expenditures. It is to be expected, of course, that a tribunal of three will be a little more expensive than a tribunal of one. But in regard to the representative of the Soldier Settlement Board I think it might be pointed out that the board will have one representative there anyway—there can be no question of that—and the representative of that board who must be on the tribunal will furnish it with all the information the board has at its disposal and thus it will be placed in possession of all the facts of the case. Naturally during all these years through which the board has been operating it has become possessed of a great deal of detailed information. I know you can go to that board to-day and get detailed information in regard to any given case. In the very nature of the case the representative of the Soldier Settlement Board will be furnished with that information when he comes to take part in the proceedings of this arbitration. Therefore I cannot understand why there should be necessity for any other lawyer in the case at all. It seems to me there should be no necessity for any other lawyer to present the case because the representative of the board will be in possession of all the information which the board has to offer upon the subject.

Mr. McGIBBON: Put yourself in the soldier settler's place. Would you not want to see your case presented in the most favourable light before the board?

Mr. BROWN: Up to the present I have not discussed the matter from the soldier settler's standpoint. If the hon. member will wait perhaps I will come to that. I have been discussing the matter so far only from the standpoint of the board. I say naturally that the representative of the Soldier Settlement Board will be in possession of all the facts the board has to offer upon the matter.

Now let us come to the standpoint of the soldier settler. Naturally he would wish to be represented or to appear in person before the tribunal, and many of these soldier settlers are themselves thoroughly competent men, able to argue their own case, and to make the most effective presentation of it. Therefore, in a great many instances they would not require the services of counsel at all. On the other hand I quite understand that many men are in such a position that it would be very desirable that they should have counsel. In such cases I think it would be quite proper that the government should make provision for the satisfactory presentation of the soldier's case. I would agree heartily with that, knowing as I do that perhaps many men might not be able to look after their own interests if they were not properly advised. Putting one method over against the other—taking the judge on the one hand and the tribunal as provided for in the bill on the other—while there is something to be said in favour of the judge alone acting, it seems to me that taking everything into consideration greater satisfaction will be given by the provisions of the bill to the men whose interests are directly affected, rather than by allowing them to go before a county court judge acting alone, notwithstanding, I admit, that from the standpoint of strict logic a good deal may be said for the position of those who represent that the county court judge alone should act.

Mr. ARTHURS: I would suggest to the minister that in the great majority of cases when application is made for a reduction in the value of land the soldier settler has a representative at hand, the local representative of the Soldier Settlement Board, who has been in touch with each and every one of these cases for years back. Why could it not be arranged that a settlement should be made, if possible, as between that representative and the soldier settler, and only those cases referred to the arbitration committee or to the judge where such a settlement was not possible? If necessary we could safeguard that by saying that settlements so made, if any, should be referred for final decision to the judge who is to be the head of the arbitration board. I am quite satisfied in my own mind that the man who has been in touch with the settler, who knows the actual conditions, the value of the land—if his experience is worth anything he should know the actual value of the land at the present time—and the circumstances under which each of these settlers purchased his land, is competent to act, and if such an arrangement could be made between the two parties, that is between this local man as representing the government and the soldier settler, there is no need for any abitration or for any proceedings other than, perhaps, a review of the finding before the county court judge. In that way we would obviate the questions that arise this afternoon.

I would further say that I am in favour of the one-man tribunal. I think the judge is all that is necessary in these cases. In the great majority of instances the local county court judge is pretty well in touch with the conditions as to farm lands and everything else within his own jurisdiction. So I say that one man would be just as good as three. I believe it is quite possible in the case of sixty or seventy per cent of these cases, perhaps more, to effect a settlement without any trouble at all.

Mr. STEWART (Edmonton): I may say that was what was contemplated by the bill as originally drafted, but changes were made in order to meet the varied arguments in the House. May I answer my hon. friend at once by saying that where the parties are in agreement the appearance before the arbitration board will be purely perfunctory.

Mr. ARTHURS: The bill does not say so.

Mr. STEWART (Edmonton): That will be the procedure; as a matter of fact, it cannot be otherwise. My hon. friend suggested that there should be a review of the decision. In such cases there will be a review, that is where the Soldier Settlement Board and the settler agree. That is why I provide the tribunal; so that there shall be a final and complete settlement. In such cases, the preliminaries, such as those my hon. friend suggested, having been gone through and the parties being in agreement, it is only a matter of obtaining sanction; there will be no necessity even for the soldier to appear on his own behalf.

Mr. ARTHURS: That would not appear to be the case from the provisions of the act.

Mr. STEWART (Edmonton): The act does not so provide, it is true, but it is the procedure that will be followed.

Mr. POWER: Even though I do not look at the matter exactly from the same angle as my right hon. friend, the leader of the

opposition, I am in entire accord with him that this tribunal should be composed of one judge only, the county court judge. In order that hon. members may be correctly seized of the situation I should like to go back and recall the principles on which this legislation was founded. The right hon. leader of the opposition will recall that this act was not conceived with the object of helping the returned soldiers. It was conceived purely and simply as a colonization scheme. In order to show that this theory is the right one I have only to recall to the memory of those who were in the House in 1920 and 1921 the efforts made by hon. members to induce the government of that day to help the returned soldiers who were in other walks of life than agriculture. On many occasions members asked that mechanics be assisted, that small shopkeepers be assisted, and they said, "If you help the farmers, why not help the others?" Invariably the answer came back "We are rendering assistance to returned soldiers to place them on the land because they are the best settlers, and this is purely and simply a colonization scheme and not a scheme to help returned men." That being the case, let us see what has happened? We have squandered something like eighty to a hundred million dollars on a scheme that was badly conceived, badly administered, and which we now find is bankrupt. Therefore the best thing to do is to get out of it as cheaply as we can. I therefore suggest that we appoint one judge on the tribunal, because a judge would be neither trammelled by the exigencies of the returned soldier, nor influenced by the amiability possibly of some member of the Settlement Board who might be only too willing to assist the returned soldier to help himself. A soldier in such a case might get far more than he was entitled to. Therefore, in the interests of the country, in order to rescue the country from the deplorable situation in which it was placed when this scheme was put in force, I suggest that one judge be appointed, and, in spite of what the hon. minister has said, that he give not a hard and fast legal judgment, but a decision as fair as possible and one through which the country may suffer the least possible.

Mr. NICHOLSON: In common with the hon. member for Lisgar (Mr. Brown) I believe that having arrived at the decision to assist the soldier on the land, the matter to be determined is, what is the best way to do it? Clause (e) provides that the minister may appoint a district arbitration committee and he chooses as the first member the county judge; then he selects a member of the Soldier Settlement Board and then he selects a third—the minister, not the soldier—and the third may be a member of the veterans' or settlers' organization. Where is the soldier represented on that board? The minister selects those three or one of them is selected by the state, and he is the county court judge. The other two are selected by the minister. The soldier is not represented unless he secures counsel to represent him, and when he is going before that board he is going before two men who are representing the state and his dispute, if he has a dispute, is with the state; we may call it the Soldier Settlement Board if we will, but in reality they represent the state, and the other arbitrator, selected by the minister from some of the soldiers' organizations, if there happen to be such, is also a representative of the state. These two agree, and where does the district court judge come in?

If the minister would leave that matter in the hands of the district court judge then the money he is going to spend could be saved. Let the Soldier Settlement Board be represented by someone appointed by the state, and let the third man, the soldier's representative, who need not necessarily be a lawyer, be selected by the soldier himself. If he wishes to select him from the soldiers' organization where there happens to be one, well and good. If he desires to secure a farmer residing on the next farm to him, let that farmer be his representative, but let him be the representative of the soldier.

Coming to the matter of securing the representative from the soldiers' organization, the question has been asked, what organization are you going to select him from? I know one judicial district in this country where there are two distinct soldier organizations. There was what was formerly the Great War Veterans' organization and there is a complete and separate organization now, quite apart from that organization, and refusing to recognize it, and it is termed the Canadian Legion of the British Empire Service League. I know another district where there is no such soldiers' organization. What are you going to do in that case? Take the newer parts of the country where the settlers are far apart, we find the soldiers are sparsely distributed. There may be twenty-five miles between one soldier and another, and then there may be two or three in a group. Where will you get the soldiers' organization to represent these men? You cannot get one. But they have just the same right to representation as the soldier re-

siding in a district where there are a thousand soldiers. If this measure is to be made effective and satisfactory to the settler, make it as simple as you can, leave it to the district court, let the minister put in a provision by which the Soldier Settlement Board will present the case for the soldier, let the soldier select a man to present his case, and let the department pay for it and fix the fee now. Do not make it possible to have these legal gentlemen getting the large fees that have been spoken of. Set a reasonable per diem allowance. A practical, experienced farmer, if you will, might be selected by the soldier settler to present the case to the tribunal if the soldier so desires. If the soldier desires a lawyer, fix the same per diem for the lawyer as for the farmer, and if the lawyer does not take it somebody else will. Simplify it, let three men comprise the tribunal, but do not have a board with two representatives of the state, or a board the members of which are all selected by the minister and the government, because this would leave the matter in the hands of the government itself to dispense justice as it saw fit.

Mr. CAMPBELL: Has the government a policy or plan worked out by which it purposes to revalue the land for its own information? Naturally when the representatives go before the committee they must have a very definite idea themselves as to the value of the land. I presume the government has some policy under which the value is to be arrived at.

Mr. STEWART (Edmonton): In all cases where that information is not already in the possession of the board it will be necessary for them to make an appraisal of the property, having in mind of course the provisions of clause (c) in the act. They will consider what in their opinion the value of the land is at the present day and make their representations accordingly. The soldier, also having in mind what he has to do, would make his representations from the same basis. Now they may or may not agree, but that would be the ordinary method of establishing the value for assessment purposes or anything else. That is just the method to be pursued, and one must bear in mind that in both cases we are subject to the human frailties of the individual who makes the valuation.

Mr. CAMPBELL: The valuation would be made by the local officer of the board. I should like to point out to the minister some confusion that would arise in that way. Each man would have different ideas as to the value, and I think it would be important

that one set of possibly exceptionally well qualified appraisers should be appointed, and re-value all that land in respect to which application for reduction is made. Then you would have at least standardization. In one particular district the officer might have an opinion as to the value of the land quite different from that of the officer operating in the next district. When you come before the appeal board you will have the case cited in one of the districts where the land is valued low, and it will be presented as an argument in favour of reduced value in another district; so that if you get a regular man appointed who would re-value all the land, it seems to me you would eliminate a lot of trouble. I can see no reasonable argument in favour of submitting all this to a judge. I believe that in ninety per cent and possibly more of the cases, the revaluation would be worked out quite satisfactorily between the board and the soldiers themselves. If we have confidence in the Soldier Settlement Board to administer the business they have to administer to-day, surely they are qualified to carry this out, and if we have not confidence in them, it is time we got another board. I do not see any good reason for submitting this to a judge.

The argument has been raised that politics will work into it. Politics works into every department of government to a degree, but when there are only 17,000 soldiers, even if every single one of them were put in a position where he practically had to support the government, that would not keep any government in power. As an opponent of the government I would not be very greatly concerned about that angle of the matter, and in any case the question of loss to the treasury is not so great as it would appear because if, through favouritism, some soldier got a particularly low valuation, neighbouring soldiers would naturally use that in the appeal as an argument for revaluation of their lands. Therefore, I cannot conceive of the board going to any great degree in extending favouritism to any soldier. I do not think they could get away with it. The revaluation must be worked out on a reasonable and equitable basis. Naturally, these soldiers will all be watching one another in order to see what the revaluation of their respective land is. If one of these men, because he might be a political favourite, got a large amount written off his debt, naturally the other men would have an argument in asking for the same treatment.

Mr. MEIGHEN: I have already laid before the minister some consideration which,

I think, completely destroy this proposal of his, but he does not accept them. The responsibility is his own. I have dwelt on the one mentioned by the hon. member for Mackenzie (Mr. Campbell). I do not know how he comes to the conclusion he does so lightly that the power which could be exercised in this way politically is not very great. He may witness and experience something which will impress him more than anything that can be said on the floor of this House. But I do not want to labour that longer. I should like to call another matter to the consideration of the minister and then my responsibility is over.

Mr. CAMPBELL: Might I ask the leader of the opposition if there is not equal danger of that at present and if the officers of the board have not been fairly satisfactory in that regard in the past?

Mr. MEIGHEN: No. Because the officers of the government have no power in the world to make concessions to soldiers to-day. The act will not permit them to do so. It never followed such a principle.

Mr. CAMPBELL: They have considerable power to make concessions in granting loans. In one particular case I have in mind, the granting of seed grain to soldiers who lost their crops, they have great power and I have never seen it abused. I think they have used very good judgment.

Mr. MEIGHEN: Granting loans which the fellow has to pay—of course that has to pass through quite a number of imprimaturs before it is finally done. There is really no opportunity there. The great thing is that the man has to pay it.

Mr. CAMPBELL: If the land is overvalued, naturally he will not be able to pay it.

Mr. MEIGHEN: Not now, but he felt he had to when he got the money, and it was not any great benefit to him to get more than he could pay back. In the original act the opportunities for fraud were undoubtedly reduced to the very minimum. It was made a criminal offence to take any commission, for example, on a sale. In the purchase of land the soldier himself had to select it, be satisfied with it, be content with the price, and so declare over his signature to the board. Those were two precautions. In the next place the soldier could not gain anything by paying too much; he had everything to lose Next, the Farm Loans Board had to be satisfied; before fraud could creep in they had to be deceived or they had to be dishonest Next, the inspector had to be satisfied; before fraud could creep in he had to be deceived or he had to be dishonest. I think the House will admit that there were a series of fortifications against fraud on the treasury which were at least as great as they could be made, but the House knows that they were not successful. The House knows that fraud was committed over top of the whole of them; that the rapacious man got in, got his fist on the treasury and got away with it. He did this to quite an extent on the west shore of lake Manitoba. All these men who should have been on guard were put into a moral sleep; one after another was deceived or one after another was fraudulent. This was the case east of lake Winnipeg as well. As I said before the cases were not general; they were isolated and the proportion was small. Nevertheless, the amount was large and it was the cause of the worst situation we have in the whole field of soldier settlement.

What is going to be the opportunity in this case? I remind the minister again that he is going to allow the representative of the Soldier Settlement Board and the man to make an arrangement which nobody in the world can upset, which is final. I remind the minister too that while the judge might have power to speak and to advise, that is all the power he has and knowing that, nine out of ten of them will never say a word if the Soldier Settlement Board and the man agree.

Mr. STEWART (Edmonton): Surely the right hon. member is not suggesting that the judge would sit quiet under what he considered was a fraud committed.

Mr. MEIGHEN: How does he know it to be a fraud? The two come before him. The soldier says that the land is worth so much and the representative of the Soldier Settlement Board agrees. The judge knows nothing about it. There are no witnesses. In nineteen cases out of twenty they will just put their O.K. right there. Like other people they are not running about the country trying to put more work on their backs.

Mr. STEWART (Edmonton): Surely some uniformity would be preserved. I think one hon. gentleman who spoke from the Progressive party put his finger on the spot. I admit that you cannot frame any statute under which you can protect the country against fraud, but as in the case of assessment appeals consideration is had to the surrounding property and it must be so in every case. The judge is the man who perhaps knows as much as anybody about that, because it is part of his official duty, and I cannot conceive

that he would sit still under what would appear to be a fraudulent readjustment.

Mr. MEIGHEN: How would it appear to be so? There would be nothing to appear at all. The judge has nothing before him but blank space. He does not know a thing about the matter. I will venture to say that in nineteen cases out of twenty, if not in ninety-nine out of a hundred, the judge would never have seen that special piece of land with the idea of coming to any estimate of its value.

The minister says there must be some uniformity, and the hon. member for Mackenzie mentioned it. I do not know where there is any uniformity in land values. I have quite a little land and I do not know two quarter sections that are uniform in any degree. Imagine such a thing as uniformity in farm land values! There are a dozen considerations in regard to lands that are immediately adjoining, one across the road from the other. Five hundred dollars would be a small variation between one farm on one side of the road and another on the other side, although perhaps both looked the same from the road. That would be accounted for by some characterization of the soil, by the lay of the land. The minister is going to have to use hundreds of representatives of that board. He has to do it. These representatives, I will assume, are of average honesty; they have done their work well and they have the confidence of the board. But they have never had anything in the world to do that would enable them to make money illegitimately. Here, however, that oportunity is going to be put in their way. The $500 could be divided between somebody and the representative and they could go before the judge and agree on the valuation. Who is ever going to find it out? Where is the precaution? There is none at all. The minister is really opening the door of the treasury. That is what he is doing. He is not doing it intentionally, but the fact is that he has not provided himself with a single fortification. And if he remembers his Horace he knows that the immortal greed of gold will tempt the heart of man to do nearly anything. Why should we expose ourselves in this way? There is no need of it. The representative of the Soldier Settlement Board and the soldier should not be given the right to come to a decision not subject to review by anybody. The principle cannot be defended at all and the minister will regret the day he ever suggested it to this House. I have nothing to say about the motives of anyone, but I do say no one has ever sought to administer so vast a thing as this in such a way.

[Mr. C. A. Stewart.]

Mr. CAMPBELL: Will not the danger be just as great where the two parties agree to a certain decision before going to the judge?

Mr. MEIGHEN: That is precisely the danger against which I have been arguing ever since the subject came up. My contention is that the representative of the board and the soldier should never be allowed to come to an agreement. To allow them to do so is to open wide the door to fraud to the extent of millions.

Mr. CAMPBELL: Is there then no means by which a plaintiff and a defendant could agree between themselves?

Mr. MEIGHEN: There is neither plaintiff nor defendant in this case. The man who is supposed to represent the government is protecting not his own money but the country's. For that reason the principle of plaintiff and defendant does not apply here. That is why an exchequer court is necessary. I suggest that in every case the two should go before the judge and have the judge himself send for the witnesses, the responsibility resting upon him finally. He should decide as to the value of the land. The judge should be held responsible. He will probably spend the rest of his life in the community and his reputation depends upon the honesty of his work. But what about the others? They would likely be gone the next day and no one would know anything about the matter. I appeal to the minister and those behind him not to expose the country to such a peril.

Mr. McQUARRIE: Some machinery should be provided in relation to the appointment of the representative of the soldier or settler. The bill as it stands before us does not make that point clear at all. If I followed the minister I inferred that one man would act for the settlers in the whole of the judicial district. How will he be appointed and from whom is the minister going to accept advice in that appointment? In my constituency there are a number of soldier organizations—the Army and Navy, the Great War Veterans, the Imperial Veterans, and now a new organization, the Canadian Legion. The bill speaks of "a representative of the veterans' or settlers' organization." In my opinion something will have to be incorporated in the bill to clear up this point; otherwise there will be a good deal of trouble. There is nothing here to provide for the returned men in the district getting together and agreeing upon a man to represent them. I want to hear the minister's view on the question. We should know just how the appointment is to be made.

Mr. STEWART (Edmonton): I admit the difficulty and I say frankly that the responsibility is one that I do not like. Unfortunately, however, I do not know of any way of avoiding it and of deciding what representative shall act on behalf of the soldier settler. I should prefer a representative from amongst the soldier organizations themselves rather than from an organization outside, which might not be particularly interested in the soldier settlement scheme. I would say however that someone representing as nearly as possible the men themselves should be selected, named by them and not by me.

Mr. NICHOLSON: The minister says that he would like to get rid of the responsibility of making this selection. There is a simple way by which he may do so, and that is not to have this provision in the bill at all. There is nothing here that provides that the soldiers' organization shall appoint the representative, or that the soldier will have anything to do with that appointment. The simple fact is, as my right hon. leader (Mr. Meighen) has pointed out, that two men will settle the matter between themselves before going to the judge. If the minister wants to escape the undesirable position which he has indicated, I suggest that he have nothing to do with the appointment of the representative, but allow the soldier to select his own man, the government paying that man whatever they would have to pay an arbitrator. I do not think they could get anybody to act for nothing. Let the representative of the board and the representative of the soldier present the case to the judge and let the judge take the full responsibility. That would relieve the minister and the Soldier Settlement Board of any possibility not only of embarrassment but ultimately of wrongdoing.

Mr. CHURCH: There are too many technicalities in this bill. The government is providing for a tribunal which is to be rigged up after the fashion of a high court of justice. We know that you create here the same machinery as is used to take over a railway or public corporation worth millions, namely, an arbitration court of a judge and two arbitrators with him. Why should such ridiculous procedure be followed here as in connection with street railways, where merely a few acres of land are involved? The cost of this matter is going to come out of the soldiers in the long run, and the trouble with all soldier legislation in this country is that it is not practical enough. Some 100,000 of our returned soldiers have had to go to the United States to look for work, while about 17,000 have been game enough to go upon the land in Canada, and those who have done so have had considerable hardships to endure, requiring the exercise of human qualities of endurance, courage, resource, skill, perseverance that are more the qualities of a race than an individual. This country has given away millions of acres of land to our railways; yet finds it almost impossible to take care adequately of the soldiers who went overseas and fought for us. We are here setting up all the red tape of a superior court of justice in connection with this matter, with all the attending cost and lack of results. Where does the soldier and his family come in while all this red tape is going on? These men demand practical soldier legislation and not technicalities after the Pension Board fiasco. Have we no time to deal with questions affecting our returned men? Are we to devote our time wholly to debating technical points respecting the most impracticable bill that could be introduced on behalf of the men who so nobly did their duty for the empire? I appreciate the difficulties of the minister, but why not put the onus on the county court judges or quasi-judicial officers? Or why not appoint a federal commission of several specially well qualified commissioners to deal with this very important work. Let such a commission take up the whole problem affecting the 17,000 cases involved and get quick action. A similar course was taken in connection with the Home Bank depositors, and I see no reason why a royal commission should not be appointed to deal with what is of vital importance to our returned men. I urge the minister to adopt this course. Let us quit fooling with this problem—appoint several judicial commissioners to settle these claims quickly, cut out petty matters and settle the bill.

Mr. BURY: Mr. Chairman, in dealing with the personnel of the board, I think the suggestion of my right hon. leader is the proper one to adopt. There seems to be some misconception by hon. members as to what that suggestion involves. What was in the mind of my right hon. leader when he suggested this machinery was that the county court judge should act independently as a kind of valuator, that he should obtain evidence as to the value of the land and decide what that

value really should be. Now, our district or county court judges are thoroughly conversant with land values. Members who state the contrary are perhaps unaware of the fact that those judges are continually dealing with actions for foreclosure of mortgages and for specific performance of agreements of sale of real estate, all involving valuation of land. This is simply a matter of precisely the same kind and nature. However, if the minister is absolutely determined to have a board of arbitration, then, inasmuch as he has stated that he is anxious to withdraw as far as possible from all responsibility of appointing the members of such boards, I think he should tell us just how he proposes that the appointments should be made. Difficulties have been raised by members who are familiar with conditions in some of the ridings, and who know that the bill in its present form is utterly impracticable. The minister, I take it, admits that as the bill reads he himself has the absolute right of appointment of all members of the board of three. He says he is anxious to get away from that responsibility—

Mr. STEWART (Edmonton): So far as the soldiers' representative is concerned.

Mr. BURY: How does he propose to do so? What does he propose to substitute in the bill as it now stands?

I wish now to direct the minister's attention to two other points. To one of them I referred when the bill first came before the House. Subsection (a) of section 1 of the bill reads as follows:

> Application for revaluation can be considered only when made by a settler residing on and himself farming the said land.

I called the attention of the minister to the fact that there might be instances—and I understand from some members on this side that this is more than a mere supposititious case; that there are in point of fact cases—where soldiers who have current agreements of sale with the Soldier Settlement Board which are not in default, or which at any rate have not been determined through default, may not be personally farming the land. For some reason or other they may have someone farming it for them, or may have leased the land to a tenant. I now urge upon the minister that the wording of the bill be altered so as to include, and make its benefits open to all soldier settlers who have agreements of sale not determined.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

The House resumed consideration in committee of Bill No. 17—Hon. Mr. Stewart—to amend the Soldier Settlement Act, 1919, Mr. Duff in the chair.

Mr. BURY: When the committee rose at six o'clock I was dealing with sub-section (a) of section 1, which addresses itself to the soldier settlers who are to come within the provisions of the bill, and I was urging on the minister the advisability of extending the provisions of the bill to embrace not merely soldier settlers who are personally in occupation of the lands and engaged in active farming operations on them, but also those soldier settlers who, possibly and probably for no reason over which they have control—being still purchasers under contracts in good standing, or contracts at any rate not yet determined by default of payment of the purchase money and ejectment—are not able at present to carry on farming operations. I told the committee that I had the assurance of one hon. member from Manitoba that I was not imagining such a case, that there were in fact cases of this kind. It is not open to the government, it is not open to the House, to make answer: parliament has the right to give all these gratuitous benefits to whomsoever it will. The Minister of the Interior used that argument in introducing the bill. He admitted that certain classes of soldier settlers who appeared to be legally, legitimately entitled to the benefits of the bill were being excluded, that no provision was being made for them. He frankly admitted that these provisions were being confined to one particular class, and the justification he suggested for that was this: Owing to the deflation of land values, private vendors continually make readjustments of prices and terms with their purchasers, who otherwise would throw back the lands on their hands, and the new sales no doubt would be at greatly diminished prices. And the argument seemed to be that inasmuch as the private vendor had a right to say whether he would make a new arrangement and abandon part of his purchase price, and had a right to say that he would make such concessions to certain purchasers and not make them to others, the Dominion government and the parliament of Canada had a right to do the same thing. In my humble opinion the argument of the

Minister of the Interior is unsound, because one of his premisses is false. The parliament of Canada is not in the position of a private purchaser using his own money. The parliament of Canada is using the money of the taxpayers of this country, using the money of the people of this country, and amongst the very people whose money is being used are these soldier settlers who are being left out of the purview of the bill.

Mr. YOUNG (Weyburn): Is that the argument of the Minister of the Interior or the leader of the opposition?

Mr. BURY: In my recollection it was the argument of the Minister of the Interior, that these readjustments had continually to be made by private vendors because of the deflation in prices. Now if Canada as a country was in the position of a private vendor I would agree with the argument, because in that case the Dominion would be using its own money and therefore would have the right to say whether it would or would not make a concession in respect to the money that was due to it—it would be its own money and the Dominion would be the only one to be hit and hurt. But here we are using the money of the people of Canada for concessions to certain soldier settlers, and that very money is the money of other soldier settlers as well as of other taxpayers. Therefore we are not in the same position as a private vendor. I do not see how you can possibly get away from that. You are doing an injustice to a certain class of soldier settlers, and they have the right—these soldier settlers whose claims are not being met, the men who have paid in full for their lands or the men who, by reason of the inflated prices which they paid for the land in the first instance, have made default in their payments and have been ejected, or the men who have not yet been ejected but are not personally farming for some reason or other—all these men, or any one of them, can come to the Parliament of Canada and say "You have made a concession to these soldier settlers out of the funds of this country to which I contributed, and I have the same right as they have." I cannot see how the minister can get away from the fact that if the bill passes in its present form it will be an injustice to the soldier settlers who, it may be, have paid in full, not merely out of the proceeds of their farms but possibly out of personal moneys that they had acquired from some other source, or which they borrowed and subsequently paid back. And you will be doing an injustice to those soldier settlers who have not paid in full but who are not able at present personally to continue farming operations.

Mr. STEWART (Edmonton): My hon. friend is wrong about that. We embrace all who are on the land whose contracts have not expired.

Mr. BURY: The bill does not say so. In this, as in other matters, the mind of the minister is one thing and the expression of the minister in the bill as drafted is an absolutely different thing.

Mr. STEWART (Edmonton): My hon. friend should not be so facetious. The minister did not say or convey anything of that kind.

Mr. BURY: I am only reading the bill.

Mr. STEWART (Edmonton): There are different ways of looking at the bill, but with all due respect to the ability of my hon. friend from East Edmonton—

Mr. BURY: Will the minister allow me to read his own bill?

Mr. STEWART (Edmonton): Yes, but not to put any interpretation the hon. member sees fit to put on it.

Some hon. MEMBERS: Hear, hear.

Mr. BURY: I am content to stand on the bill as it is drafted, and I will leave it to hon. members, even to those who have said "Hear, hear," to say whether the position I have taken is correct. The bill says:

> Application for revaluation can be considered only when made by a settler residing on and himself farming the said land.

Surely no language could be plainer or clearer.

Mr. STEWART (Edmonton): Does my hon. friend forget that there is another provision in the bill that he may go on the land and be in occupation of his own land in six months' time?

Mr. BURY: I take the minister's word that there is such a provision. But even that is not sufficient, because a soldier might have left his land for reasons over which he had no control, reasons of health or of business; he may have been obliged to make a temporary letting of his land for one, two or three years. Meanwhile he is keeping up his payments to the Soldier Settlement Board. He is in good standing on his contract, but because he does not come within the four corners of the bill as it is drafted, he cannot

get the benefit of its provisions. I say again that you are doing an injustice to a large body of soldier settlers. That injustice should be at least reduced to the minimum; you should not exclude the class of soldier to which I have already alluded. You are doing an injustice to those who have paid their purchase money in full, as well as to the other classes I have mentioned, and you cannot get out of that position without completely altering the scope of the bill.

Mr. STEWART (Edmonton): They have until October 1 to make application.

Mr. HANNESSON: In view of the wording of section 68, which provides that the only people who have the right to apply are those who have not abandoned the land—

The CHAIRMAN: The hon. member for East Edmonton has the floor.

Mr. BURY: I have made the point sufficiently clear, and no doubt other hon. members will take up the point just raised by the hon. member (Mr. Hannesson).

I desire to call the attention of the minister to subsection (c) and I want to assure him that in all I say I am only anxious to offer constructive criticism. I want the bill to be the best measure possible, and I wish the minister would get into his mind the fact that I am not hostile to the bill, still less hostile to himself. The proviso at the end of subsection (c) reads:

> Provided that in any case where the actual sale price is greater than the maximum amount which under section sixteen of this act may be advanced by the board in the purchase of land on behalf of any settler, such maximum amount shall be deemed the sale price for the purposes of this section.

The words of subsection (c) are:

> In any case where the actual sale price is greater than the maximum amount which under section sixteen of this act may be advanced—

Not "is advanced" but "may be advanced." Now I turn to section 16 of the act and I find the maximum amount which may be advanced to be $5,000, ten per cent to be paid down, namely, $500, the balance, $4,500, to be paid in instalments. If that is correct, I would ask the minister to consider what the effect of that will be on the provisions of this section. The maximum amount which under section 16 of the act may be advanced by the board in the purchase of land on behalf of any settler is $5,000. That is the only maximum mentioned in the section, and, if that is so, the price from which the revaluation price is to be deducted is $5,000. Perhaps I am wrong, and if so the minister will correct me.

[Mr. Bury.]

Mr. STEWART (Edmonton): The hon. member is practically correct.

Mr. BURY:: Here is a provision of the bill which says that when a soldier settler applies for revaluation, if the price he has paid is more than $5,000, they take the $5,000 as the price from which the deduction is to be made. Is that right?

Mr. STEWART (Edmonton): It is hardly correct. The hon. gentleman will notice that under section 17 there may be cases where $5,500 will be the maximum, or in exceptional cases it may go to $6,000, where the buildings are taken into consideration. But the point is this: the government are not taking into consideration any additional payments the soldier may have made, because I understand in some cases they have paid as high as $2,000. I presume the board took the view that if he were willing to make the investment, and he thought the property was worth that, that was really his business. Whether or not that was a proper position to take, I am not going to argue, but the fact remains that we are providing only for the amount of money invested in the property by the government itself.

Mr. BURY: The minister is not doing that. I thought that was what he intended to do, but what he says is this: Where a man has paid more than $5,000, say, $6,000, $7,000, $8,000, $9,000, $10,000 or as high as you like for his farm, the price for the purpose of valuation is to be taken as $5,000 and then there is deducted from that the new value put on the land. In other words, supposing the new valuation is $4,000, the concession is $1,000 and no more. As regards the statement of the minister about section 17 or any other section in the act of 1919, the only section mentioned in the bill is section 16 and that is the only section with which we are concerned. I do not know whether the intention of the government now is that the bill should stand as it is. I had thought that probably the government's intention was in every case to take the amount at which the farm was valued by the Soldier Settlement Board for the purpose of the loan or the amount of money which the Soldier Settlement Board lent on the farm, and to make their deductions from that. But that is not what the bill says.

Mr. STEWART (Edmonton): My hon. friend is arguing that we should take in every case the exact amount the government invested in the property?

Mr. BURY: I thought that was what the government intended to do.

Mr. STEWART (Edmonton): As nearly as possible. I want my hon. friend to realize how difficult it is to get that amount.

Mr. BURY: Yes. Those are the two points I would like to call to the attention of the minister, because they are quite vital points.

Mr. MULLINS: Paragraph (e) reads:

> Each committee to consist of three members, one of whom shall be the judge of the county or district court, as the case may be, of the county or judicial district which the land is situate, such judge to be the chairman of the committee, one a representative of the Soldier Settlement Board, and one a representative of a veterans' or settlers' organization in the district.

Is it the intention of the minister to appoint that representative of the veterans' or settlers' organization in the district?

Mr. STEWART (Edmonton): It is the intention of the government to accept the nominee preferably of the settlers themselves. One of the difficulties we meet with in getting a representative of the soldiers is that there are two or three different soldiers' organizations, but as the only soldier who is interested in this revaluation is the man on the land himself, we shall as far as possible deal with the nominee of the soldier settlers.

Mr. MULLINS: Will it be the soldier settlers in the district that will make the appointment, or will it be the minister?

Mr. STEWART (Edmonton): They make the recommendation. I have to assume the responsibility of making the appointment.

Mr. MULLINS: That is putting too much leverage in the hands of the minister to make political appointments, and I do not agree with that. I want the minister to leave that out and to let the appoinment be made by the settlers in the district. They know more about the matter and it is only fair to them that they should make the appointment.

Mr. STEWART (Edmonton): I have no objection in the world, but I want my hon. friend to understand how difficult that would be. I have no concern about the actual naming of the man, but if my hon. friend has had anything to do with soldiers' organizations, he knows how many of them there are and how bitterly they can disagree amongst themselves. That is the only reason on earth why the matter is being dealt with in this way. If there was one definite organization in each province and it would name a satisfactory man for each judicial district, I would accept such nomination at once. I have no desire to interfere. My sole desire would be to accept the nominee of the organization that was really representative of the soldier settlers themselves.

Mr. MULLINS: I would be far more satisfied if the minister would agree to have the appointment made by the soldier settlers, so as to give them a chance to have some say in the matter without any political influence being brought to bear upon them.

Mr. HAY: I would like to recommend to the minister that he should have one of the soldiers' organizations either in the district or in the province nominate the men's representative who would sit on this committee. I do not wish to delay the passage of the bill or to make an amendment to it, but I feel sure it would be more satisfactory to the soldier settlers if they had the right to nominate their representative on this committee. Can the minister see his way clear to amend the bill along this line?

Mr. STEWART (Edmonton): My hon. friend will at once admit the difficulty. I canvassed the situation pretty thoroughly. In Alberta, which is perhaps representative of most of the provinces, we have two or three provincial organizations representative of returned soldiers. I doubt very much whether the soldier settler has much representation in any of those organizations, although they are provincial in character. They perform a splendid service for the man who has pension difficulties and all that sort of thing, but the soldier settler has been somewhat outside of that. If the soldier settlers would nominate amongst themselves in each judicial district one who would represent them, I would have no objection in the world to appointing him.

Mr. HAY: That is what I am asking, but the bill does not provide for that. The minister has said that he wishes to dissociate himself from the matter in a political way. I can understand his difficulty in getting soldier settlers to agree upon a man, because I do not suppose there are many active organizations in the country districts representing soldier settlers. I can understand the difficulty of the minister in that respect, but I submit that the matter should be taken from the sphere of political influence.

Mr. CLARK: I am glad to note that the minister sees the difficulty he is in.

Mr. STEWART (Edmonton): Let me assure my hon. friend that I am not seeing it now for the first time; I have appreciated that difficulty from the beginning.

Mr. CLARK: I am glad to note, however, that it is becoming more apparent. The situation is one that, in my opinion, was impossible when the bill was drafted, as it is impossible now. The minister declares that he is anxious to divorce himself from all responsibility in connection with these appointments but this very bill enacts that he himself shall be the person to make the appointments. The board will not be one of arbitration in the interests of the soldier, inasmuch as it will be nominated by the minister himself. No matter how anxious he may be to evade responsibility for the appointments, the minister can not do so if he insists upon this bill. He and no one else will nominate both the man who is to represent the board and the man who will represent the soldier. Furthermore, the minister will name the third independent arbitrator, the county court judge. Why not leave the soldier alone to look after his own interests instead of taking so paternal an interest in him as to nominate the man who is to represent him? I do suggest to the minister that he might very well leave the matter to the county court judge. The judge, I am sure, would not be wedded to formalities, and he would have no hesitation in accompanying the parties interested in the dispute on an inspection of the land, viewing it in order to arrive at a common sense decision. The county court judge would be independent both of the soldier and of the board. If the minister is sincerely desirous to get rid of the responsibility in this matter let him leave it to a member of the judiciary who by the very nature of his office would be independent of all concerned; and let the soldier name his own representative to take care of his interests in the arbitration. It is always possible, of course, for the soldier and the representative of the board to come to an agreement, but I can see no reason why the minister should not leave it solely to the judge to decide upon a fair valuation of the land when the representative of the board and the representative of the soldier come before him. These two might say that in their opinion the land should be valued at less than the price at which it was originally sold, and if the judge were not satisfied the responsibility would rest with him. If the judge were appointed there would be no possibility of collusion between the soldier and the representative of the board or anyone else, and there would be a greater likelihood of justice being done. If necessary the minister could make regulations requiring the judge to view the land and give a valuation where there was no dispute between the two representatives. In any case we can rest assured that in every instance the judge would see that justice was done and that there was no opportunity for any sort of collusion. Only adopting that course can the minister divorce himself from the responsibility which apparently he is anxious to avoid; and only by that course can justice be done to the soldier.

Mr. FOSTER: When I point out that personally I should be perfectly willing to accept the decision of the county court judge recently appointed in Hants-Kings, I am sure the minister will acquit me of any desire to be anything but absolutely fair to himself. I make that statement even though the gentleman to whom I refer was a late official of the Liberal party and a Liberal member of this House in the last parliament. I am sure that no one would have any hesitation about accepting any judgment he might render in a matter of this kind. If the minister has made up his mind to have a board of three, the language of the paragraph before us makes it clear that he himself or his successor, should he leave his present office, will have the responsibility of appointing the three. Now, let us suppose that there is a community in which there are five or six or, if you prefer, say two or three soldier organizations, meeting in their respective halls, and each appointing a candidate for the board. I pay the minister this compliment, from the short acquaintance that I have had with him, that if he remained in charge of the department I should be quite willing to trust to his selection of one man out of these five or six competitors. But there might be a change of ministers and one might not be quite so ready to depend upon the selection in that case. If the minister is not willing to admit that the county court judge is fit to be made the sole arbitrator, I would suggest that at least he amend the bill to provide that the judge and the representative of the Soldier Settlement Board should choose the soldiers' representative from among the rival candidates. By so doing the minister would relieve himself of responsibility, shifting it partly to the judge and partly to the representative of the Soldier Settlement Board.

Mr. NEILL: Does the hon. member, or any other hon. gentleman for that matter, know of any rural settlement that contains two, three, four or five rival soldier settler organizations?

Mr. FOSTER: Right at the moment I cannot point to any case; I am frank with my hon. friend. But I can point to a number of returned soldiers who would not at

all be willing to accept the nominee who might be selected by the soldier settlement club or league or other gathering in a certain community. If my hon. friend has not a similar situation in his own constituency, then I can assure him he is very well favoured indeed.

Mr. NEILL: It may exist as to individuals but not as to organizations.

Mr. MULLINS: May I suggest to the minister that he allow the soldier organization to select a member of the committee? I have a petition sent to me by seventeen soldier settlers in the vicinity of Marquette. I know every one of these boys; they were raised in the district and they are all absolutely capable of taking a seat on that committee. If he does not want to select them from the district, let him select them from the provincial organization. Either method will be satisfactory to the soldier settlers. I think it would be well for the minister to amend the clause to meet this objection. It seems to be the only objection to the bill. I would prefer to have one of the boys on the board independently of any appointment by the minister or the Soldier Settlement Board.

Mr. ARTHURS: Mr. Chairman, I can readily understand that the minister is somewhat "up in the air" regarding this bill, especially in view of the opposition now developing from some of my friends in Manitoba who were enthusiastic for it an hour or two ago. They now see the difficulties which some of us older members have seen for years with regard to this particular form of legislation. I pointed out to the minister to-day, as I have done on several previous occasions, some of the difficulties which we had to deal with in the special committee regarding the character of this legislation. Although the minister has pronounced upon it, I am still of opinion that the arbitration, if any, should be before the county judge only, because I believe that in the great majority of cases, as I have already stated to-day, the matter can be settled as between the officers of the Soldier Settlement Board and the soldier settler himself.

I might go further and say that I am opposed to this bill in toto, for the simple reason that it gives relief to only one class of settlers, and then to a very limited extent —simply to the amount to which that settler is indebted to the government. There can be no justification for legislation of this kind except probably on three grounds: first, as a means of keeping the settler upon the land; second, as relief to the soldier settlers as soldiers, or, third, as a matter of charity. There can be no other grounds for legislation of this kind. If it is the purpose of the bill to keep the soldier settler upon the land, then we should reinstate all those soldiers who have been driven out by action of the Soldier Settlement Board or by adverse circumstances over which they had no control. Nature does not make two men alike—not even officials of the Soldier Settlement Board. At the present time we have officials of this board who are probably rather stringent in dealing with the soldier settler. They have driven hundreds from the land by officious action, by paternal care, and so on. Some of them have even gone to the extent of telling the settlers' wives how to make bread! This is something which can continue only for a limited length of time among free Canadian citizens. As a result some of these men have left the land. Wherever possible they should be reinstated, especially in view of the fact that perhaps the official of the Soldier Settlement Board in the adjoining district has continued men on the land who have made practically no payments for several years. How can you justify driving off his land one man who has made an honest legitimate attempt to continue as a settler, while to another man who has made very little effort, to say the least, you give certain benefits under this measure?

Many of the men who have already left the land have paid a considerable amount of money on account of their holdings and have made certain valuable improvements. I do not need any further proof of this than the statement of the minister himself that the government has made a profit on all the salvaged lands which have been already disposed of. Why was this profit made? Largely because of the initial payments by the soldier settler himself, amounting to at least ten per cent of the purchase money and in many cases much more than that, and also because of the improvements he put on the land. As to this legislation being based on charity, I do not think the government takes that stand. As a matter of fact every argument—

Mr. McLEAN (Melfort): Was it not on account of crown lands having been sold that the board was ahead of the deal in very many cases after salvaging the soldier settlers' holdings?

Mr. ARTHURS: I do not think that enters into the case at all. As a matter of fact it only tends to prove my argument. If a man takes unimproved crown land and

improves it so that the government makes a profit on its resale, then he should be given consideration for those improvements.

Mr. McLEAN (Melfort): Even if those lands were not improved, when once the patents were issued to the board would they not be more salable?

Mr. ARTHURS: A man who took crown land under the Soldier Settlement scheme received no loan except for improvements or for stock. So he does not come under this bill in any event. As I said before, the third reason which could be ascribed for this bill would be charity, and every argument that has been advanced from this side of the House or elsewhere against the bill will apply equally in that case. Take for example one or two specific instances that I have thought out myself. Take the case of a man who has come over here desiring to be a farmer, and very careful in regard to assuming any financial obligations. He knew his capital was limited, and therefore he purposely purchased a farm with little or no improvements upon it. We will suppose for the sake of argument that he purchased a farm worth $3,000; he paid about $1,000 upon it; he duly made his payments and improved the farm, because naturally in order to keep himself on the land for seven or eight years he would have to improve it. Under this bill that man gets no relief because the farm to-day is worth at least as much as the loan which the government originally advanced upon it. Then take another man, less careful. He buys an adjoining quarter section and pays $5,000 for it, pays 10 per cent down, and to-day is owing the government a large sum of money. Those two farms are now of equal value—the one which was purchased for $5,000 and unimproved since has no greater value than the one which was purchased at $3,000 and upon which the soldier settler has done certain work. In the one case the careful and industrious man will derive no benefit under this bill; in the other case the man of wider ambition, who was less careful and did less work by way of improvement, will receive a large return from the government.

I think I have already told the House that there is another class of settlers, namely, the men who have paid in full; the men who were tired of this paternal care by the Soldier Settlement Board or who perhaps wanted to sell their farms. They went to Tom Jones or Dick Smith or somebody else and borrowed money at 7 per cent or 8 per cent in order to pay for their farms, and that money is still owing. These men are entitled to consideration and I see no reason why any

[Mr. Arthurs.]

thoughtful man, desirous of doing the best for the soldiers and the best for Canada, should not be able to give them some relief. If you pass this act as it is you are going to create a dissatisfaction all through the ranks of the men who have gone on these lands, because they will not receive equal treatment.

Mr. BOYS: I have already indicated definitely my position as to the formation of the tribunal which is to revalue these lands, and I do not intend to repeat what I have already said. If the minister is bent on having an arbitration committee and if that is the prevalent idea in his mind, why not follow the proper course and give the soldier the right to name his own arbitrator? Did the minister ever hear of an arbitration where more than the presiding arbitrator was named by any outsider? Each side names an arbitrator to act for them; in this case the department would name the arbitrator to act for the board, and the soldier should be allowed to name his arbitrator.

Mr. STEWART (Edmonton): I have been trying to meet this difficulty. The wording of that section of the bill is:

—one of whom shall be the judge of the county or district court, as the case may be, of the county or judicial district within which the land is situate, such judge to be the chairman of the committee, one a representative of the Soldier Settlement Board, and one a representative of a veterans' or settlers' organization in the district.

I would be willing to have the third man named by the judge, if that would be satisfactory.

Mr. BOYS: In common with the minister I have only one desire; that is, to get a bill which will be fair to all concerned. Let the bill stand as it is so far as the judge and the nominee of the board are concerned, but let the soldier interested name his own arbitrator. There will then be at least one member of the board whose main duty will be to consider the soldier and get him what he thinks is proper.

Mr. STEWART (Edmonton): Do I understand my hon. friend to suggest that each individual soldier should name his own man?

Mr. BOYS: Certainly. Does not the minister think that a proposition involving $3,000 or $4,000 or $5,000—every blessed thing the settler has in the world—is of sufficient importance to give him the right to name an arbitrator to act for him in the case? All manner of things are occupying the attention of judges, many of them not amounting to one-tenth or one-twentieth of those sums. I am not varying my views one iota regarding

the tribunal, which I think is best for the department and for the soldier, but for some reason or other the minister—I do not think he has given the committee a good reason—seems to be bent on this committee. If that is so, then let him carry out the ideas that have been prevalent in connection with arbitrations of this kind for years and years.

I understood the minister to say that under the provisions of this amended bill soldiers will have the opportunity for a period of six months of returning upon the land and getting the benefit of this act.

Mr. STEWART (Edmonton): I did not catch my hon. friend's remark.

Mr. BOYS: The minister corrected himself and said October first. The minister did say six months at first, but I will not quibble over that, whether it is October first or six months. In one case it is a three months' period and in the other case six months, but I am not complaining of that. I want to ask the minister if he thinks there is any chance of carrying that out.

Mr. STEWART (Edmonton): I did not follow my hon. friend all the way through.

Mr. BOYS: I will state it again. As I understood him, the minister made the statement that he considered the provisions of this bill open to soldiers for a period of six months, even where the soldier was not upon the land. I now say to the minister that that is not so. In the first place it would be only to October first; it would not be six months, because there is not much chance of this bill becoming law for probably another month. So the soldier would only have about three months left. The section is as follows:

> Application for revaluation can be considered only when made by a settler residing on and himself farming the said land—

Then the minister seeks to meet the point raised by referring to October first, which appears in subsection (d) of the same section, as follows:

> All applications for revaluation must be submitted to the board prior to the first day of October, 1926.

They must be submitted by men upon the land, and if these men are not upon the land now and this bill does not become law until possibly June first, does the minister seriously think any man is going back upon the land just in the hope that he may get a revaluation and make something? It was urged upon the minister that the provisions of this act should be open to any soldier not upon the land, but whose land was still unallotted. If the original location is still unoccupied why should not a soldier make an application, whether or not he is on the land? I believe that is what the minister thought he had done; if he did not think that I do not know why he rose to correct the hon. member who was calling his attention to it. If I am right in assuming that that was his intention I think he will agree that this bill will not produce that result. Is there any reason in the world why a soldier who has vacated land; who has suffered—as we all admit very many of them have suffered—and whose land has not been allotted either under the colonization scheme referred to by the minister or under any other scheme; who has put his good money into it and who is out of pocket, should not be able to make application in connection with that land and get the relief intended by this bill? I urge the minister to consider that feature. It is not going to hurt anyone, because if the land is allotted the soldier is out of it and out of pocket, and the man who has sold his land is out of it also. I know there are difficulties in the way; I know the minister wants to do the best he can, and I think this act should be still further amended in the way I have suggested.

9 p.m.

Mr. HAY: The hon. member for Parry Sound (Mr. Arthurs) made some reference to the newer members of the House, stating that they were beginning to see light in connection with this question. I may say that I appreciate very fully the difficulties which confronted the minister in drafting a bill of this kind. I stated so in speaking to the bill when it first came before this House and I appreciate perhaps a little more to-day the difficulties the minister has had to face in dealing with this situation. I believe the change suggested by the minister will meet the situation, and I cannot agree with the last speaker when he says that each individual soldier should name his own representative. That would be impossible and unreasonable.

Mr. BOYS: Would the hon. member tell me why that would be unreasonable?

Mr. HAY: Because the expense incurred would make it impossible. It would be too expensive to the settler to have a representative for each separate case coming before the committee.

Mr. BOYS: It would not put the settler to any expense. The representative named by the soldier would be paid by the department, under the provisions of this act.

Mr. HAY: I differ with you on that point.

Mr. BOYS: I venture to say the minister will not.

Mr. HAY: I cannot speak for the minister, I can only speak for myself. A representative appointed by one of the veterans' organizations, or some similar organization, in the centre of the district in which the soldier settler lives, will be sufficient. I think that one individual on the board could represent the different soldier settlers living in the community. I still stand squarely behind the minister with respect to the committee to be appointed, provided my hon. friend makes the change he suggested just now. That would be the most inexpensive method. It would serve the purpose of the soldier settler better than having him apply to the county court judge to have his grievances remedied.

Mr. CAHAN: In the minister's opinion, under the terms of this section, must all three members of the arbitration committee, so-called, agree in order to have a finding? Must they be unanimous in their opinion?

Mr. STEWART (Edmonton): No.

Mr. CAHAN: Then if they are not to be unanimous in their opinion, under what provision of the bill is it declared that the opinion of the majority shall prevail? The mere fact of calling this committee an arbitration committee does not imply that the finding of a majority shall prevail. Under the terms of the bill there must be first, a unanimous finding, and I think that point should be carefully considered by the minister.

Furthermore, in subsection (c) there is this provision:

> The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler, in the present market value of the land as compared with the price at which the settler agreed to purchase the said land from the board—

And then in subsection (h) it is provided:

> Upon the hearing of all evidence submitted the committee shall decide the extent to which depreciation in value has taken place and its decision shall be final.

Now, subsection (c) contemplates a finding that no part of the diminution in value is due to neglect or mismanagement on the part of a settler, or if a part of a diminution or depreciation in value is due to neglect or mismanagement on the part of the settler, the settler shall not be allowed such depreciation as is due to neglect or mismanagement, as the case may be. But under subsection (h), when we deal with a finding, all questions as to neglect or mismanagement are excluded.

Mr. STEWART (Edmonton): Under which?

[Mr. Boys.]

Mr. CAHAN: Under sub-section (h), because the committee are to decide, and only to decide, the extent to which depreciation in value has taken place. Now the extent to which depreciation in value has taken place is one thing; the extent to which that depreciation in value is due to mismanagement or neglect on the part of a settler is another, and is not to enter into the decision according to the terms of sub-section (h).

Mr. STEWART (Edmonton): I am not a lawyer, but is not the direction in sub-section (c) to the arbitration board?

Mr. CAHAN: No.

Mr. STEWART (Edmonton): It merely mentions depreciation.

Mr. CAHAN: Sub-section (c) says:

> The difference or depreciation in value to be determined shall be the diminution, not due to neglect or mismanagement on the part of the settler—

And so on. I suggest that there is some confusion, because under sub-section (h) you say that the committee shall decide the extent to which depreciation in value has taken place, and its decision shall be final. If that is dealing with the same depreciation that is provided for in sub-section (c), then it is unnecessary. I suggest that a judge of any court would say that there is one provision in sub-section (c) and another in sub-section (h), and that the provision in sub-section (c) would necessarily be followed. I suggest in that connection that only a judge who has some knowledge of the law is competent to decide this question of depreciation due to neglect or mismanagement. That is a question that should be left to judicial decision, and I suggest that under this bill it would be far better to leave the matter entirely to the county or district court judge. As the bill now stands I am of the opinion that the committee must be unanimous. If they are not to be unanimous, the matter should be decided by the majority, consisting of the judge and one other member. Having got that far, why not leave the decision to the judge after hearing both sides?

Mr. STEWART (Edmonton): Does not my hon. friend see that where three men are appointed there must be provision for decision by a majority? They may decide with the soldier's representative on one occasion, and with the representative of the board on another. An agreement by two would constitute a decision, but it would be impossible to have a board of three and have them all

in agreement. Naturally the contestant would want to bring in a minority report, and the thing would be unending.

Mr. CAHAN: With great respect to the minister I suggest that that is exactly what he is providing, whether intentionally or not.

Mr. STEWART (Edmonton): It is certainly not intentional.

Mr. CAHAN: I suggest with deference that under this bill there is clearly no doubt whatever but that committee must be unanimous. There is no provision for a decision of the majority.

Mr. NEILL: I would suggest that the hon. member should look at sub-section (j).

Mr. CAHAN: That subsection reads as follows:

> The board may, with the approval of the Governor in Council, make such regulations as may be necessary for the execution of the purposes of this section.

Well, that is as broad as it is possible to make it. But they may only make such regulations as may be necessary, and it is not necessary that two should constitute a quorum of that board. If a fundamental matter requiring the decision of the majority is to be a subject of regulation under sub-section (j), almost everything conceivable may be provided for. Certainly parliament is not going to give to the minister or to the board, even to the board approved by the Governor in Council, as wide powers as those suggested by my hon. friend.

Mr. STEWART (Edmonton): It will be necessary to give the board fairly wide power. You cannot provide the statute for everything that will crop up. All we want in the statute is the necessary provision for the operation of the board and to give parliament the requisite control.

Mr. CAHAN: I appreciate that. All I suggest, with deference, is that a matter so fundamental as to whether the three shall be unanimous, or whether the finding of two shall prevail, cannot be provided for by any regulations passed and approved within the meaning of clause (j). I do not wish to be too finicky about the matter, but there are so many "cans", "wills", "mays" and "shalls" in this measure that I do not think anyone in the House could tell exactly what it means.

Mr. MEIGHEN: Better can the bill.

Mr. CAHAN: Take clause (h), which reads:

> Upon receipt of an application for revaluation supported as aforesaid, the board shall refer the same to the district arbitration committee who will thereupon fix a convenient time and place for hearing.

Certainly the word "will" is not the proper one to carry out what I believe to be the intention of the minister. Then take clause (i), which reads:

> The committee shall forthwith forward a copy of its decision to the board, and where the decision shows—

Well, the decision does not show anything. I do not understand the meaning of the word "show" in that connection. You might say, "where the committee finds or decides". I am convinced that someone in the office of the minister has drafted these amendments hurriedly, and without due care to provide that the diction shall be so clear as to obviate litigation.

Mr. CAHILL: I desire to make a suggestion to the minister, as this appears to be the time for making suggestions and several have been made by members of the opposition. My understanding of the bill is that it is a measure designed to get a lot of people out of trouble which they have got into on account of the action of the Tory party in the past. It was designed and drafted by the Liberal government in an attempt to relieve thousands of soldiers in the country of obligations that they undertook at the instigation of the Tory party in previous years. It was presented to the House, and in less than an hour I have heard at least five suggestions from members of the opposition in regard to various ways of constituting this board. The suggestion is made by the leader of the opposition that it should be left to the county court judge, then the Conservative whip (Mr. Boys) sitting immediately behind the right hon. leader, suggests that it should be determined by a board of three.

Mr. BOYS: No. If the hon. member had been attending to his duties in the House this afternoon he would have heard the very reverse.

Mr. CAHILL: Did my hon. friend not suggest a moment ago, as to the method of appointing the tribunal, that one should be appointed by the soldier himself?

Mr. BOYS: If the hon. gentleman had listened he would have heard me declare my views as to what the tribunal should consist of, namely, the county court judge. But I said that if the minister insisted on the

arbitration idea, involving a board of three, the soldier should have the right to name one arbitrator.

Mr. CAHILL: That is it exactly—that the soldier should have the right to appoint one of the arbitrators if there were to be three. Another hon. member a few moments ago suggested five, and he was kind enough to allow the government to appoint one of the five, provided the minister now in charge of the bill should be in charge of the matter during the administration of the measure. Hon. gentlemen opposite do not endorse the suggestion of my right hon. friend, and apparently there is no agreement among hon. members on the other side. They got these men into the mess and now they are not willing to let the government get them out of it. The government prepared the bill; why not let them take the responsibility of doing the best they can for these men? The whole difficulty seems to be that members of the opposition think some person is going to get a little political kudos out of it. After the discussion this afternoon in regard to this measure, if these soldiers are not turned against the opposition I do not think anything they can do in the future could have that effect. After listening to the suggestions of the opposition on a bill promoted by the government for the purpose of getting these men out of a difficulty in which they have been placed by the opposition, I suggest to the minister he should ask the committee to rise, report progress and ask leave to sit again, until my hon. friends have had time to consult with the people vitally interested, the soldiers, and ascertain what they have to say about it. I am quite satisfied the soldiers will tell hon. members opposite that they had better let the government go ahead with the business and not do any more blockading, such as they have been doing for the last few days.

Mr. MEIGHEN: I hope my hon. friend from Pontiac will forgive me if I do not refer to his speech, but say a few words on the bill. The main purpose of any bill is to express the will of the House as to what should be done to meet the purpose of such bill, whatever it may be.

Mr. CAHILL: The will of the majority of the House.

Mr. MEIGHEN: If we are all ready to let the minister do what he likes, it can be done very simply. I ask the minister if he would support the bill if it read this way:

> The minister may appoint district arbitration committees having jurisdiction in such soldier settlement districts as may be necessary, each committee to consist of three members, one of whom shall be the judge of the county or district court, as the case may be, of the county or judicial district within which the land is situate, such judge to be the chairman of the committee, and the others the president and secretary of the Liberal Association, or whoever else the minister likes.

Would the minister support the clause if it read that way, and appoint either the president or secretary of the Liberal Association or whomever he likes? The clause as it reads has precisely the same effect; under it the minister can appoint whomever he likes as the other two arbitrators; he can appoint the president and secretary of the Liberal Association or anybody he desires to appoint. It is true the bill says that one shall be the representative of the Soldier Settlement Board, but he does not need to be an officer of the board in order to be a representative. He can appoint a Chinaman if he likes and call him the representative of the board, or he can appoint a Japanese, and call him the representative of a soldiers' organization. He does not need to be an officer of the board. But hon. members say the minister will not do that. Well, why are we inserting this clause in the bill? Why not let the minister do as he likes? Word the bill in this way:

> That as respects what the soldier shall pay on any land he gets, the Minister of the Interior may, in the exercise of his mature judgment, and in the light of his Scriptural teaching, do whatever he pleases.

We might as well pass such legislation as that. The duty of the House is so to word the bill as to guard the public interest as best we can. That is the purpose of the wording. I repeat: The word "representative" does not mean, as hon. members seem to assume, that a man to be a representative of soldiers' organization is selected by them or is even a member of the organization. He does not need to be that. The minister can go into Marquette, select the president of the Liberal association and say to him: You are on the arbitration board for Marquette district and you represent the soldiers' organization. It may be said that he cannot do so. Very well, what is the legislation for? He can appoint somebody else and say: You are the representative for the Soldier Settlement Board—and that man does not need to be an officer of the board at all. Surely the minister would not pass the legislation if it was worded as I read it first, but the way he has it in this bill it has exactly the same effect: his powers are just as ample; the meaning is just the same. Surely that is not good legislating.

I know we are taking some time, but the minister is on the wrong line, to begin with; and in the next place the legislation is sloppy.

It is crude in its whole verbiage; it is not carefully conceived. I have given the minister credit for having in mind only a good bill, a method of working this thing out aright; but he has had no excuse at all for tying to the tail of a judge any two arbitrators of any kind. What does the minister want them for? He is opening the door to fraud. He may not mean to do that and I know he does not mean to; but why do it? It does not matter what he means; if the door is open he can take it for granted that frauds will be committed. He has opened the door to anyone who may be in charge, who desires to act fraudulently in a district, to do so. The door will be just as wide open as anything in the world ever was.

The suggestions have been simple; there has been nothing complex about them. The suggestions are simply these: Follow the same course that you follow in expropriations, that you follow in assessments, that you follow in relation to any other matter where the crown and the individual under the crown are concerned; simply have the judge hear the evidence and decide. If the minister then cares to provide—and I think he probably would—some means of enabling the soldier to conduct his case, that is a simple matter. Discretion should be given to the judge in that regard to give the soldier a certain allowance up to a limit say, under such conditions that might be framed by regulation. That is only a detail, but the essence of the whole thing is to get your tribunal sound and to get the principle sound upon which the tribunal acts. If the minister gets that done, the rest is not of as great consequence although it is of consequence, of course. If you are bound to move on this line, putting it on a basis of helping rather than on a basis of protection, then you are certainly going to have to extend it to those men who are off the land, whether they were put off or not, and you have to get it just as was indicated in the speech of the hon. member just behind. These are the two main factors if the minister would consider them. It is not that we are wanting to complain.

Mr. STEWART (Edmonton): My right hon. friend is speaking only for himself in that respect.

Mr. MEIGHEN: I know there are one or two misconceptions of the effect of the bill, but I am not speaking only for myself or only for this side of the House.

Mr. STEWART (Edmonton): My hon. friend is again misquoting me, for this reason: I have reference only to his latest statement, namely, that I am making the bill too wide. Not many hon. members share that view.

Mr. MEIGHEN: I am saying that the minister has not his bill wide enough in the personnel; he did not have it wide enough in the beginning. He is having it apply to a class of cases it does not need to apply to, but there are more cases on the other side to which it does not apply and he is going to have it applied to them. If he does not do so this year, he will next year; he cannot get out of doing it. What I am driving at now —and it is really the main feature—is that he should get his principle right as to the tribunal. That is the simplest thing in the world. The clause could be worded in two minutes; we would then be past that, and I venture to say that we would be past it with the overwhelming concurrence of this committee.

Mr. STEWART (Edmonton): The appointment of a judge alone?

Mr. MEIGHEN: Yes.

Mr. STEWART (Edmonton): I doubt it.

Mr. MEIGHEN: If the minister does not do this, the complications he is going to get into will certainly be very great. Does he imagine he is going to satisfy soldiers' organizations by naming a man? In Portage la Prairie I do not know how many soldiers organizations there are. There is an Army and Navy Club; there is a Veterans' Association and there are soldiers settled all around that district. Which one is he going to recognize? I would not want to have to do it, and if he recognizes one the others will not be pleased. He is going to have representatives on many boards at the same time because there are thousands and thousands of cases. When he sends his representatives out he is certainly going to get some that will not be acceptable, and the whole thing is for no purpose at all. They will only be an encumbrance when they are there. The judge is the one who ought to decide the matter and the one who will decide it if the minister will only simplify his bill.

Mr. STEWART (Edmonton): The leader of the opposition is quite correct when he suggests that if the president and secretary of the Liberal association were named, I would object to the bill. Any sensible man would.

Mr. MEIGHEN: I said he could name them.

Mr. STEWART (Edmonton): Will my right hon. friend allow me to speak? I am not in the habit of interrupting him.

Mr. MEIGHEN: The minister interrupted me several times and I was glad to have those interruptions.

Mr. STEWART (Edmonton): Yes, when my right hon. friend strays too far from the path of rectitude. It is useless to argue that such a construction as my right hon. friend has just indicated could be placed upon the wording of the bill. That is the furthest thing from the intention of the bill. If I have told the House once, I have told it fifty times that I have no desire to name these men. I did not think I was naming them. My right hon. friend put that construction on the bill. I was leaving it to the organizations to name their representatives. I have not much objection to accepting the suggestion of the hon. member for North Simcoe (Mr. Boys) that each soldier go before the board, make his own representation and name his own representative quite apart from me altogether, if that will meet the situation, but an hon. gentleman sitting over there objects to that, and I think for some reason.

Mr. BOYS: I do not think he understood the intention.

Mr. STEWART (Edmonton): This is not the ordinary case that we are dealing with, nor have we ever dealt with soldiers' problems from the standpoint of sending them to the courts as the courts exist to-day. On every occasion we have appointed a committee of this House, accepted the finding of that committee and put it into effect. It can be said that committees of this House have been too generous in the past. I had no thought on earth of dictating to the board as to the appointment of their representatives. The only reason the word "representative" is in this bill is that we did not want to name definitely the field or district supervisor, because in some cases these men might not be the proper persons to act for the board. That is all; otherwise we would have named the district supervisor as the individual to be upon that committee. Apparently there is a desire to nail this thing down to a hard and fast rule. It is not the case that the government or the minister wants to have jurisdiction in the matter or to make it a political machine as some hon. gentlemen opposite seem to think. Our anticipation is that this bill will do the government far more harm with the returned soldier than it will do it good. If hon. gentlemen opposite want to take the responsibility of it, I shall be glad to give it to them, because I think the government that handles this matter will lose more votes than it will gain. That is my candid opinion.

[Mr. C. A. Stewart.]

Mr. MEIGHEN: We are trying to help it so that it will not hurt you.

Mr. STEWART (Edmonton): I question that. However, the government must assume the responsibility. It does not rest upon my hon. friends opposite but upon us, and if we take that responsibility we must have something to say about the bill. I am not criticizing the suggestions that have been offered and I certainly do not think anyone can charge me with having done so. I have sat here and tried to gather from the various suggestions that have been put forward some idea of what kind of measure would best meet the view of the House as a whole. When the bill is passed it is scarcely likely to satisfy everyone. With due respect to the legal fraternity as represented in this House, I venture to say that no bill that might be enacted here would meet with their entire approval: there would be some who would have some fault to find with it. At any rate I have not yet seen one measure pass that was agreed to unanimously, and I have seen a good many go through all the stages of legislation in this House.

Mr. BOYS: Is it the intention that a majority of the members of the tribunal shall have the right to give a decision?

Mr. STEWART (Edmonton): Certainly. My hon. friend does not think that it would be necessary to have an entire agreement, for in that case there would be no decision.

Mr. BOYS: No, but there should be some provision whereby any two of the three might bring in an award.

Mr. STEWART (Edmonton): There are a number of things in this bill which will have to be left to regulation.

Mr. BURY: The decision is the decision of the board as an entity and it must therefore be the decision of the whole three, unless you provide in the bill that the voice of two shall speak for the board as a whole.

Mr. MANION: As regards the possibility of appointments being made from political considerations, I would bring to the minister's attention what occurred in connection with the Soldiers' Civil Re-establishment, under the Hon. Mr. Beland. That was much more a soldier organization than is the Soldier Settlement Board, for, as the hon. member (Mr. Power) pointed out this afternoon, the Soldier Settlement Board was originally established as a settlement scheme. The Soldiers' Civil Re-establishment, on the contrary, was essentially an organization to serve the interests of the soldiers themselves, and not-

withstanding that fact changes were made in the medical personnel throughout the country for no other than political reasons. Many such changes were made. If, therefore, there was that danger in connection with the Soldiers' Civil Re-establishment, because the medical officers who were displaced were of the wrong political colour, is there not the same danger, indeed, a greater danger, in this case where the organization is not so peculiarly one in the interests of the soldiers? I do not charge the minister with anything of that kind—

Mr. STEWART (Edmonton): You cannot, because I have made no changes in the board.

Mr. MANION: I have no doubt that the minister is sincere in his desire to put through a proper measure.

Mr. STEWART (Edmonton): My hon. friend will not argue that the officers of the board were appointed because they were Liberals.

Mr. MANION: What I am saying is that changes were made in the Soldiers' Civil Re-establishment because of political considerations, Conservatives being replaced by Liberals. And this occurred not in one instance, but in many. At the head of the lakes a Conservative who had served in the lines overseas was replaced by a Liberal who had never been out of Canada, and the same is true of the constituency represented by my hon. friend from Kingston (Mr. Ross). I have heard that hon. member make a similar statement regarding certain officers in his section of the country. The fact of the matter is that throughout Canada changes were made in the personnel of the Soldiers' Civil Re-establishment because the incumbents who were ousted happened to be of the wrong political persuasion. Now that, as I have said, was essentially a soldier organization, whereas the board we are discussing was established primarily as a means of settling soldiers. I argue, therefore, that there is a greater danger of political influence being brought to bear in this matter than in the other. I give the minister credit for sincerity and I think he should be only too willing to avoid the possibility of having this legislation used as a political machine. He can help to this end by allowing the judge to be the sole arbitrator in these cases.

Mr. STEWART (Edmonton): I am not afraid of the political machine. My hon. friend refers to the fact that a few doctors were changed on the Soldiers' Civil Re-establishment. God knows there were not many on this board who were of any other stripe than Conservative when it started.

Mr. MEIGHEN: Lots of them.

Mr. STEWART (Edmonton): Not many.

Mr. MEIGHEN: What about Edmonton?

Mr. STEWART (Edmonton): I have, however, nothing to do with the Soldiers' Civil Re-establishment. I am speaking of the Soldier Settlement Board. I do not know what their politics were, but there were not many Liberals on it.

Mr. MANION: That is to their discredit, because the men were appointed only on the ground of their having been overseas.

Mr. STEWART (Edmonton): I am speaking of the Soldier Settlement Board.

Mr. MEIGHEN: Does the minister say there were not any Liberals on that?

Mr. STEWART (Edmonton): Not many.

Mr. MEIGHEN: There were only three on the board, one of whom certainly was a Liberal. As to the other two, I do not know what their politics were.

Mr. STEWART (Edmonton): Now that the matter is up we may as well have a free-for-all over it. I do not propose to have it said that because the Liberal party are in office they have indiscriminately made changes for political reasons. I have never practised that sort of thing and probably have not practised it enough.

Mr. MOTHERWELL: Hear, hear. That is more like it.

Mr. STEWART (Edmonton): However, I do not propose to start now.

Mr. MANION: The Minister of Agriculture (Mr. Motherwell) indicates to the Minister of the Interior the danger that exists.

Mr. STEWART (Edmonton): It will be rather a sad day for the soldier settlers if politics are to have anything to do with this matter. Personally I am thoroughly satisfied with the board and with the way they are carrying on, and I can assure the committee that I have never inquired into politics, although it has been stated on more than one occasion that, if anything, the Liberal party has suffered in this respect. But that is not the way we want to approach this question, and I resent the implication, either from the leader of the opposition or from any other hon. gentleman opposite, that because this bill is drafted in its present form political advantage will be taken of its provisions.

Mr. MANION: We are only pointing out the dangers.

Mr. STEWART (Edmonton): My hon. friend seems to be very much alarmed about the dangers.

Mr. CLARK: Suppose the Minister of Agriculture should take charge.

Mr. STEWART (Edmonton): The committee is dealing with the Minister of Interior at present; it can deal with the Minister of Agriculture when agricultural matters are under consideration. Now, I am prepared to accept the suggestion of my hon. friend (Mr. Boys) with respect to the soldiers' representative, but I am not prepared to accept the judge as the final arbitrator. I make that perfectly plain to the committee, because the government must take responsibility for the bill. Further, I am prepared to amend the clause relating to the classes to be dealt with.

Mr. BROWN: If the minister accepts the suggestion of the hon. member with regard to the representative of the soldier, I would suggest, in order to preclude such an interpretation as was indicated by the leader of the opposition, that it be made to read "an appointee of the Soldier Settlement Board" instead of a representative.

Mr. STEWART (Edmonton): Surely the committee will leave one poor individual for the minister to have some say about. The government, I repeat, must assume the responsibility in the matter.

Mr. BROWN: I was merely suggesting that he should be an appointee of the board.

Mr. STEWART (Edmonton): He will be an appointee of the board, but the minister will reserve the right to make that particular appointment. The government must have some representation, but there will be no interference on the part of the minister. I am prepared to widen the scope of the bill to deal with every man whose contract is not cancelled, but I will not go further, because to do so to an unlimited degree would only create untold complications. As to the decision of the board, I am quite prepared to insert a proviso that the majority of the board shall prevail in every case.

Mr. ARTHURS: The minister referred to "any man whose contract is not cancelled." Will that include those men whose contracts are closed by payment in full?

Mr. STEWART (Edmonton): Not at all; they are in the same position as those who have cancelled their contracts.

[Mr. C. A. Stewart.]

Mr. BURY: The contracts are determined.

Mr. STEWART (Edmonton): Yes. It covers only the man whose contract is in existence and who owes the government a substantial sum of money on it.

Mr. CAHAN: I would point out to the minister that if he does insert—and he certainly must insert as a fundamental provision of this bill—that the decision of the majority shall prevail, he cannot do so under this clause.

Mr. STEWART (Edmonton): I propose to amend it.

Mr. CAHAN: Then I would call attention to this objection. Provision being made that if the arbitration committee, so-called, is not necessarily unanimous the finding of two of the arbitrators will prevail, it is quite possible for two members other than the judge to unite to oust the judge entirely. Thereupon you have two members of the committee rendering a majority decision opposed to that of the judge on whatever legal questions may arise. I suggest to the minister that he make his amendment read so that one member of the majority of two must be the judge, otherwise it is utterly useless to have a judge as one of the members of the committee.

Mr. FORKE: Mr. Chairman, the hon. member for St. Lawrence-St. George (Mr. Cahan) apparently is not very sure as to what the bill really means. After listening to all the discussion that has taken place, I have not been able to apprehend the meaning of the suggestions that have been made other than that the county court judge shall decide all the circumstances. The right hon. leader of the opposition (Mr. Meighen) seemingly is very much afraid that the tribunal will in reality be a political machine. I do not think there is much danger of that if the right people are chosen.

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: Well, Mr. Chairman, I have not lost faith in human nature yet. Politics is bad enough, but I believe men can be found to act honestly and uprightly, no matter whether they be Conservatives or Liberals. As I mentioned before, I have had some experience as a member of a tribunal ascertaining the value of land. Land valuation is a very difficult and complicated problem. No man can tell what is the value of a certain portion of land. The only criterion of its value is what anyone is willing to pay for it. That is the only real basis of valuation.

Some hon. MEMBERS: No, no.

Mr. FORKE: Some of my hon. friends say, "No, no;" but there is no other way of ascertaining the value of land except on the basis of what somebody will pay to get hold of it. The value goes up and down and a great many things enter into the question. Now, a judge may be the very best qualified individual to decide certain legal questions, but I doubt if he is best fitted to give a final decision on the value of land. He is learned in many ways, he is perhaps a good judge of human nature, which, of course, is of great assistance to him in weighing evidence, but that evidence must be adduced by people who know what they are talking about. Consequently if he has the other two members of that board sitting with him, and they have a pretty good idea of the value of land, I think perhaps he can perform a very useful function in weighing the evidence adduced. In regard to who two of the arbitrators should be, I think the minister would be well advised to take a man representing the soldier settlers in the district. It should not be at all difficult in any particular locality to divide it into districts, and then let the soldiers in those several districts elect someone to be their representative upon the board. I am sure those soldier settlers are so earnest in their desire to get a thoroughly competent board that they would not worry whether their representative was a Conservative, a Progressive or a Liberal. Undoubtedly they would select the best man available to represent them. Although technically the minister is head of the Soldier Settlement Board, I do not think that even members of the opposition believe he is going to interfere with the arbitrator that will be chosen to represent the Soldier Settlement Board. It does seem to me that those two arbitrators with the county court judge ought to constitute a board that will be just as near satisfactory as you can get it. I am quite aware that no matter how you set about doing it, this work will be beset with difficulties and will not give satisfaction to a number of soldier settlers; but we have simply to do the very best we can under the circumstances. I do believe that most hon. members are really anxious to get something that will be as nearly satisfactory as possible. I think I would agree with the hon. member for St. Lawrence-St. George that the judge should form one of the majority of the committee when the decision is not unanimous. There is something in the argument of the leader of the opposition that there might be some collusion between the soldier settler representative and the representative of the Soldier Settlement Board, and consequently the common interest might not be taken care of just as carefully as it should be. By making the judge one of the majority I think we shall guard against that contingency.

The minister is altogether too apologetic. I think he ought to make up his mind just exactly what he wants, and fight for it. However, I am inclined to believe the criticisms have been offered in good faith and that we are all anxious to do the best we can for the soldier settler. I have been getting letters every day, in fact I got two to-day, voicing objection to a judge being the final arbitrator. I can understand how the soldier settlers may take that point of view, and of course there are two sides to every question. I have a long letter and quite a large petition from British Columbia—I think they are from the group of men referred to this afternoon by the hon. member for Comox-Alberni (Mr. Neill)—and all those people are against the judge having the sole authority. This is a serious question which is going to cost a good deal of money, and I am inclined to agree with the minister that the government will not come through with very much glory when they finish. I am perfectly sure of that.

Mr. CLARK: Would the hon. member tell us from whom he received the petition, and its contents?

Mr. FORKE: I could not do that because I have not the petition with me, but it is no secret; I will let the hon. member see it if he so desires. I think I have received more complaints in regard to this question from British Columbia than from any other province; I believe I receive more letters touching this matter than do most of the members of my group, and I find a great deal of dissatisfaction in British Columbia and in Manitoba. I do not know that I have added anything to the value of this debate, but I hope we can get together and work out something which will be satisfactory to everyone.

Mr. GEARY: Would the hon. member allow a question?

Mr. FORKE: Yes.

Mr. GEARY: In a three-man board does not the county court judge become the final arbiter?

Mr. FORKE: Not necessarily so.

Mr. GEARY: Why not, if there is any dispute?

Mr. FORKE: The other two members of the board might agree and would form a majority, leaving the judge in the minority.

Mr. GEARY: Then there would be no dispute between the other two parties.

Mr. FORKE: What I suggested was that the majority would have to be composed of one of the other members and the judge.

Mr. GEARY: Is not the judge always the final arbiter, if he constitutes the majority?

Mr. NICHOLSON: Supposing the other two members decide against the judge; he would not have anything to say about it at all.

Mr. FORKE: I suppose that difficulty might arise. However, I have said all that I propose to say in regard to the matter. I am quite satisfied that we will never get a bill with which everyone will be satisfied, but we are going to do the best we can. I have had a little experience with appeals to a judge, and I can tell hon. members that this is going to be very unpopular with the county court judges. They do not want this work, and do not like it. I know that the judges are honourable and patriotic and will undertake the duty, but they will not like the work.

Mr. NICHOLSON: I just wanted to ask the hon. member a question before he closes and I am quite conscious of the
10 p.m. fact that he is just as anxious as anyone to find a real solution to this question. Would he object to the department being represented by one man, the soldier represented by one man, these two appearing before the judge and the judge giving a decision after considering all the facts?

Mr. FORKE: I think what I have already said would almost lead to that conclusion. There is not very much difference of opinion in regard to the advisability of having those two representatives; the only difference which exists at present is as to the standing they should have. The recommendation of the right hon. leader of the opposition I believe, was that the judge should sit as a judge, with the others appearing as witnesses. Under the other plan, instead of appearing only as witnesses they would be members of the board and would have more standing in that way.

I would like to refer for just a moment to the question of expense. We are not going to add much to the expense by enlarging the board to three. It may be rather arbitrary to put any such regulation into the act, but I would almost be prepared to say that no lawyer should appear before that board. I am quite well aware that we cannot do without the lawyers in a great many cases; we have found that out by experience, but this is one of the cases where we can get along without their help. I was chairman of a court which held sessions all over the province of Manitoba, and in every place where lawyers appeared we were held up. If we undertook to value land and inquire as to the assessment we generally could get somewhere, but if lawyers appeared in the case it took us hours to get anywhere. I hope the legal members of the House will pardon my references.

Mr. NEILL: In the way this debate has swung around—I might say rambled around—on the several phases of this bill we have a good illustration of the troubles we get into in departing from the well established rules of the House, sanctioned by years of experience. It has been well known that in a committee we can only debate one section of a bill at a time. Had we not departed from that custom to-day and the last time this bill was being discussed we would have made more progress. As the debate has gone on, one man has spoken of the first section, and following him someone else speaks about the last section. If we had only started at one end of the bill we would have made some progress, and I hope that rule will be adhered to in the future.

I would like to support a portion of the remarks of the hon. member for North Simcoe (Mr. Boys). He brought forward a case which has been brought up again and again during the last two or three days, the case of men who have been what is popularly known as salvaged—that is the technical term—or who have been thrown off or have abandoned their farms. They are off the land. A number of hon. members have made representations on behalf of those men, urging that they be given at least an opportunity to go back on the land again at the reduced value, if such be granted by the board. The minister said twice to-day that he was prepared to make an arrangement of that character; where the land had not been disposed of to an empire settler or in any other way, he was prepared to give the soldier a chance to go back. I do not believe many would return, for many reasons. Most of them are sick of it, but I think it would be the proper thing to give them a chance. I was going to rise when I heard him make that remark early this afternoon and again this evening; I wanted to ask that that be put

into the bill, because we all know that utterances made on the floor of this House are not bound up in the bill and form no portion of it. Within the last few minutes, however, the minister stated, if I have not misunderstood him—and if I have I hope he will correct me—that he would not give any instructions to include the man who has had his agreement cancelled. I think it was agreed by the House that these men should get some consideration, and I think the hon. member for Selkirk (Mr. Hannesson) was also going to raise that point. I would like to ask the minister to make that promise again, and to allow it to be put into the bill in order that these men may have an opportunity of going back again.

Mr. HANNESSON: The minister made a statement a moment ago that he would not look after anyone who had left the land. I want to remind him that the last time this matter came up he gave an undertaking that the desired provision in that respect would be embodied in the bill. Now I want to ask him this question: Is he or is he not willing to extend the scope of the bill to cover the revaluation of all salvaged lands undisposed of by the board, so that any former settler may make application and be entitled to the benefit if he can establish to the satisfaction of the board that he has proper qualifications and is financially able to carry on without further assistance? I gave the minister a copy of the memorandum I have here, so that this question will not surprise him. I only ask that the privilege be extended for a matter of two months in respect of a man whose land is still in the hands of the board, and for four months in the matter of the selection of any other lands the board still hold.

Mr. STEWART (Edmonton): I do not follow my hon. friend. He suggests that the soldier settler be allowed a period of two months.

Mr. HANNESSON: That he be given a preference for two months.

Mr. STEWART (Edmonton): We certainly made a promise that we would give consideration to those cases where salvaging was going through, or in cases where we had not allocated the land.

Mr. HANNESSON: Not disposed of it.

Mr. STEWART (Edmonton): Or disposed of it by allotment or in some other way. I want to make it perfectly clear we are not considering the case of the man whose lands have been salvaged and are gone, but in cases where salvaging has just gone through, the hope was entertained that we might be able to get those men back. There are a thousand and one difficulties in the way of dealing with a man who is off his land and gone. He still owes the government in many cases a considerable amount of money, his stock and implements have been sold. This illustrates the difficulties that arise. But in the case of the man who can re-establish himself and has not been allocated his land we are prepared not only to receive his application but to notify him that if he wants to come back we will give him reasonable time to re-establish himself.

Mr. HANNESSON: Will the time be extended?

Mr. STEWART (Edmonton): This man simply comes back and gets into the same position as the man who has not left his land at all.

Mr. HANNESSON: I understand the minister is prepared in the case of the empire settlement scheme to give settlers there the land on the revaluation basis. I am not asking anything in respect of land that was abandoned, but in respect of any soldier settler lands we give the returned man who is qualified and does not need further financial assistance the opportunity to buy at the revaluation figure.

Mr. STEWART (Edmonton): That is right.

Mr. HANNESSON: In making a resale to a soldier settler is the minister prepared to give credit for the amount of principal paid by the settler in the past on the revaluation figure? That point is also mentioned in the memorandum I give him.

Mr. STEWART (Edmonton): So far as his payments were concerned he would have to go back just as he stood.

Mr. HANNESSON: He would receive no credit for past principal payments?

Mr. STEWART (Edmonton): He would be in exactly the same position as if he had not left the land; he would be in no better or no worse position.

Mr. HANNESSON: Suppose he goes on another piece of land?

Mr. STEWART (Edmonton): That would raise complications. It is a most difficult thing to settle. The man will be beginning

all over again. I am not prepared to give my hon. friend a direct answer; I want time to consider that.

Mr. BURY: I understand the minister's answer to the last question is that in that case the soldier and his agreement will be reinstated, and he will get the benefit of the reduction on revaluation as though he had not been put off the land at all and his original agreement had not been determined.

Mr. STEWART (Edmonton): I cannot conceive of any other condition.

Mr. BURY: That is the position I understand the minister to take. I understand he is also prepared to amend the bill so as to embody this provision in the measure and not leave it to be provided for by regulations.

Mr. STEWART (Edmonton): I am afraid we cannot do that without making many amendments in the old act. What is proposed is a very simple process. We will treat cases of the kind as though salvage had not taken place.

Mr. BURY: Surely the minister could put something in the bill providing that in cases where an agreement has been determined, or is in process of determination through the board, on the fulfilment of certain conditions the agreement that has been or is being determined on that ground may be reinstated, and the man may come under the provisions of the bill in the same way as though he had not forfeited his rights. The trouble is just this: I can see that the important provisions of the bill are apparently going to be in the regulations and that is a very pernicious practice. We do not want the provisison of the bill to be in the regulations, and leave these regulations at the mercy and under the control of an order in council. The House ought to pass on all the important substantive provisions of the bill.

There is one further observation I should like to make in this connection. I cannot see how the country can suffer by allowing a soldier settler who has forfeited his agreement and been put off his land coming forward as a new man, making an application, and getting a preference for the purchase of other lands that are still in the hands of the government. All those lands will have to be put up for sale and they can only be sold to proper and competent purchasers at a fair value at the time the sale is made. Now, if the soldier who had forfeited his agreement because of the excessive price that he paid for his land is now in a position to become a purchaser of other lands at the price at which the government would sell them to a stranger, why should he not have the right to do so?

Mr. STEWART (Edmonton): There is no particular objection, but should the payments he had made on the former land be carried forward?

Mr. BURY: I did not quite catch the minister's question, but my contention is this: I cannot see what objection there is to allowing a returned soldier who has not had his agreement determined, from purchasing land on the same conditions as an ordinary settler.

There is one other matter I should like to mention, and that involves going back for a minute to the question of the personnel of the arbitration board. If the minister is determined to have his board of three, may I again urge in support of the position taken by the hon. member (Mr. Boys) the suggestion which the minister said he was prepared to adopt, namely, that the soldier himself have the right to make the appointment of his representative. It has been stated that the better way would be to allow the soldiers in a certain district, either through their constituted organizations or any new organization, to appoint a representative in their behalf. Now the difficulty is that where a soldier has confidence in the soldier organization of his district he will in any event probably accept the appointee of that organization, but it is not at all uncommon for an individual soldier not to be in particular favour or in good standing with the soldier organization of his district. If he is in sympathy with and has confidence in the soldier organization of his district, he will accept their nominee anyway; even if you leave to him the power of appointing his own nominee he will probably appoint the nominee chosen by them, whereas if you get the occasional man, as you are bound to do, who has not the sympathy or the support of the soldiers' organization, he may desire to appoint his own nominee. I would suggest, therefore, that the soldier would in all cases be in a better position if he were to appoint his own nominee on the board. It is not an unusual proceeding. In every arbitration where there is a dispute between two parties each party appoints his own arbitrator, and the third arbitrator is selected by the two arbitrators. There is no reason why, in a dispute between an individual soldier and the Soldier Settlement Board, the same thing should not be done.

Mr. STEWART (Edmonton): I do not propose to change the arbitration board in any particular, except to accept the suggestion

made by my hon. friend (Mr. Boys), namely, that the soldier shall appoint his own arbitrator. The other two shall remain as they are, the judge and the representative of the Soldier Settlement Board.

Mr. BOYS: I desire to express my appreciation of the consideration given by the minister to my suggestion, but I observe that he seems to rather reluctantly accept the suggestion regarding the right of the soldier to name his own arbitrator. I should not think the minister would accept it if he did not think it was practicable. I believe it is practicable, and I suggest to him that in providing for that he should insert a clause making it necessary that the arbitrator to act for the soldier shall be a landowner resident in the judicial district in which the land is situate. That would avoid any chance of the soldier appointing a man residing many miles away. Where one such soldier has been acting, assuming he is a capable man, the chances are that other soldiers coming before the same judge and the same arbitrator appointed by the board will accept that nominee as his nominee as well, and in that way I do not think there would be very much embarrassment in connection with it.

Mr. STEWART (Edmonton): Does the hon. member not think it would complicate the matter if we inserted these provisions? It would be much simpler to let the soldier nominate his own representative; then one man may be chosen for two or three dozen. But if you start in by saying that he must be a farmer—

Mr. BOYS: I said a resident.

Mr. STEWART (Edmonton): I prefer to leave it open; let him have a free choice and not tie him up in any way.

Mr. BOYS: I am quite satisfied. Remarks have been made of a critical nature. I understood we were making these suggestions at the request of the minister, and I offer no apology for any time I have taken up. This is a matter involving millions of dollars, and even if the discussion has taken all the afternoon and part of this evening, the time has been well spent. The minister must feel that some improvement has been made on the previous legislation.

Mr. STEWART (Edmonton): If the committee agree I should like to run over the bill, because when I bring it back I desire to have it in such form that it will meet the suggestions, as far as practicable, that would appear to be acceptable; then, we would not have to spend a great deal of time upon it. I take it there is no objection to clause 1 of 68. I propose to amend sub-section (a) by striking out all the words after "revaluation" down to the word "and" in the third line, so that it will read:

> Application for revaluation shall be submitted to the district superintendent of the Soldier Settlement Board for the district within which the said land is situate.

That strikes out the provision that he shall be on the land, and it takes in all the soldiers whose contracts are in existence.

Mr. GEARY: Read clause 68, section (1), just before that. There is a limitation still in the act.

Mr. STEWART (Edmonton): In answer to what the hon. member for East Edmonton has said, I am informed by the chairman of the board that they have authority now to rescind cancellation proceedings and reinstate the former owner of the land, provided, of course, that they have not disposed of the land; and as a matter of fact they are doing it. So that provision is made for that case. Without amending the act the board has that authority.

Mr. BURY: I know that, but they could not exercise that authority unless you strike out these words, because these words shall surely conclude them.

Mr. STEWART (Edmonton): If they reinstated them now they would not have authority to reduce the value of the property.

Mr. KENNEDY (Winnipeg): So far as the arbitration board is concerned, the matter has been amply discussed and the minister tells us what he intends to do. But I am still concerned with the question of the man who is on the land. There is the further point of the settler who definitely left the land. That is what we are considering here. I want to cite a case where the soldier, having come to the conclusion that the land was too highly valued, left it and definitely abandoned it. The minister has stated that he would be prepared to consider allowing a man to go back on the land if his agreement had not been cancelled. There is some indefiniteness as to what that means, because I do not think the board takes any formal cancellation proceedings. If the man walks off, they have the authority to salvage the farm and realize on it? Assuming a man has to all intents and purposes left the farm; you now decide to revalue that farm. I want that man to have the right to go back to the board and say, "On your revaluation I want to go back on that land". I think that point is under con-

sideration. I gathered, when this matter was being discussed the other day, and recently to-night, that in the view of the minister, if such a man would satisfy the board he was a good risk and was not going to ask for any further commitment from the board by way of advance of moneys, the matter of taking him back on the land would be considered.

Mr. STEWART (Edmonton): If the land had not been disposed of.

Mr. KENNEDY (Winnipeg): Yes. I think the House is generally agreed that he should be permitted to go back on the land. Then I think we must amend the bill to make it read in this way. If the minister were dealing with it, I have no doubt he would let the man go back; but in the administration of this measure, whether it be by a board of arbitration or by a judge, you will find that when a man comes to that board asserting a right, they will go to the legislation and say: We have no discretion. Anyone who has had experience with pensions knows that the Board of Pension Commissioners, however philanthropic may be their intention, go to the act and say: We have no discretion. The same thing will ultimately apply to this measure of relief. The arbitration board or the judge will turn to this amendment and will say: Those are our powers. I suggest to the minister that in order to carry out this intention he should so amend the bill as to say in effect that not only those who are residing on the land, as section 68 (1) says, but soldier settlers who, having left their farms, now desire to go back to farms which have not been allotted on the revaluation scheme, shall be entitled to apply for revaluation.

Mr. MILLAR: In that connection I should like to ask the minister if such a returned soldier will have the benefit of and be given credit for his former payments on that land, that is in case a soldier is allowed to go back on land that he previously left, the contract perhaps having been cancelled. In some cases he may have paid a sum of money almost as much as the land is revalued at. Is the minister prepared to say whether in such a case the soldier would be given credit for the amount of money he had previously paid, or must he start at the bottom again and pay for the land practically twice over?

Mr. STEWART (Edmonton): I thought I made it clear to the committee twice this evening that the soldier would be re-established in the same position he was in when he left the land, and that whatever principal payments had been credited to him would still be to his credit. He might have paid a great deal of interest, but that does not apply on principal payments on the land. He would be in the same position as the man who had stayed on the land and made his payments, when we can replace him on his own land. A suggestion has been made from the opposition that not only should we do that, but we should allow men to go back and take other land. In that case he could not be given credit for any payments.

Mr. LADNER: Does the minister say that interest payments on the higher valuation will be charged against the soldier's account?

Mr. STEWART (Edmonton): You would get into a hopeless tangle if you started to take interest payments into consideration. Whatever principal payments a man has made against his property would naturally apply, but his interest payments are simply interest payments he has made on the land at the valuation whether high or low.

Mr. NEILL: Will the minister answer the question raised by the hon. member for Winnipeg South Centre (Mr. Kennedy) about amending the bill?

Mr. STEWART (Edmonton): In answer to the hon. member for Winnipeg South Centre, I would say that this is not the regular routine mortgage foreclosure proceeding. The board have authority under the act to cancel the agreement with the settler and he is simply served with a notice. What they do is simply to rescind that cancellation when the land is available and not to wait for him to make application, but at once to offer it to him if he wants to come back, provided—and there will always have to be a proviso—that he is morally and otherwise a fit man to come back. There are a great many cases in which it would be a mistake to try to make a man come back; to make it indiscriminate that he should be allowed to come back without let or hindrance is out of the question. But in a case where he wants to come back and he can re-establish himself on the land, that course would be adopted. We have that authority in the act at the moment.

Mr. KENNEDY (Winnipeg): It does not seem to be so to me.

Mr. STEWART (Edmonton): Well, they are doing it, although they may be doing it contrary to the act. Of course they cannot reduce the value. The amendments will take care of that situation.

Mr. WARD: In the event of the suggestion that came principally from the hon. member for Winnipeg South Centre and the hon. member for Selkirk (Mr. Hannesson) being adopted, what would happen in the case of a salvaged soldier whose chattels were all gone? It would be impossible for such a man to re-establish himself in order to come under this legislation. I am not sure that that point has been made clear. I have remarked that members making these suggestions, I think without exception, are members who are not soldiers or not farmers.

Mr. KENNEDY (Winnipeg): The hon. gentleman is making a mistake.

Mr. WARD: If hon. members understood the matter as we understand it who have gone through the school of experience, they would know that not one per cent of those who have already been salvaged will even make application. I am certain that is the case in my riding. I think we are spending a great deal of time over something that will never happen. We are endeavouring to develop an impossible case. I should like to see, if this suggestion is adopted, that that soldier is put back in the same position he occupied before he was salvaged; otherwise, he is still tremendously discriminated against. I wonder if the hon. member for Winnipeg South Centre has thought out that phase of the question.

Mr. HAY: If the suggestion made by the hon. member for North Simcoe (Mr. Boys) is followed it will mean great expense to the country. The committee cannot meet to consider every individual application for a revaluation. Supposing the committee announce that they will sit at a certain place to hear applications for revaluation. If such individual soldier has the right to name his own representative on the committee and if you have fifty cases coming before the committee, you will have fifty soldiers' representatives present, and according to the bill we shall have to appropriate money to pay those representatives. That is my understanding of the bill, and therefore I say that the suggestion of the hon. member for North Simcoe is in my opinion impracticable and would prove costly to the country. If we had committees in one or two hundred different districts of the Dominion sitting at the same time and had an army of a thousand individuals representing the soldier settlers, that would mean a large expense to the country. It seems to me that the scheme is unworkable. I would suggest that the veterans' organizations in the different districts nominate the man who is to represent the soldiers. That, I think, would be more satisfactory to the returned men; it would be more workable, and it would be less expensive.

Mr. STEWART (Edmonton): I want to amend the bill now so that at least we may get something fairly satisfactory, because I can assure the committee that I shall not attempt to change it further. If it is objected to on the next introduction I will withdraw it. And that is no idle threat, because it is an absolute impossibility to secure a measure that will meet the views of the committee as a whole if there is to be no give and take. If on the other hand the government takes full responsibility for the bill I will put it through, but I will not spend an inordinate length of time over it. We have been discussing it now almost three days, and while I do not suggest for a moment that the time has been wasted, I do say that the committee should allow it to go through. Having tried as far as I possibly can to meet the general wish of the committee, I trust that the bill will now be allowed to go through. As regards (a) we shall now include all contracts that are in good standing as well as those that are being rescinded where the land has not been allocated. We are already able, however, to deal with such cases.

Mr. BURY: The minister might add a provision in respect of agreements which are reinstated by the board under the existing act and in respect of which the land has not been allocated. I understand that he is going to amend the bill in relation to agreements that are in process of rescission.

Mr. STEWART (Edmonton): That is to say, where the land has not been allocated but is still in the hands of the board. As I have pointed out, we have authority already to deal with such cases.

Mr. BURY: That is all I am asking.

Mr. STEWART (Edmonton): There will be no necessity for adding an amendment to that effect because the board is already empowered in that respect, although it has not the authority to revalue. That authority is being given by this legislation. The board at present can put the soldier back on the land while it is in their hands.

Mr. BURY: That is all I am suggesting, to bring within the purview of the bill the agreements that are reinstated by the board under its existing powers.

Mr. BOYS: I think it will be necessary to amend line 13 to conform with line 20 in paragraph (a).

Mr. STEWART (Edmonton): As amended, paragraph (a) will read:

Application for revaluation shall be submitted to the district superintendent of the Soldier Settlement Board for the district within which the said land is situate.

Mr. BOYS: With the words struck out by that amendment the paragraph provides that the application for revaluation may be considered only when made by a settler residing on and himself farming the land. If a man is not residing on the land I should think that he has abandoned it. So that if you omit these words in paragraph (a) and do not strike out in line 13 the words "who has not abandoned his land" the two paragraphs will conflict.

Mr. STEWART (Edmonton): I am informed that line 13 refers to the case in which there is a quit claim.

Mr. BOYS: If that is the meaning of the paragraph I think the language is unfortunate. I do not want to be critical but I do not think you can say that a man has not abandoned his land merely because he has not given you a quit claim deed. When he leaves the land he abandons it whether he gives such a deed or not. I do not want the minister to make the amendment now. I simply bring the matter to his attention because I think it would be wise to make that change.

Mr. STEWART (Edmonton): Is my hon. friend referring to a man who is temporarily off the land?

Mr. BOYS: Subsection (1) reads:

Notwithstanding anything in this act, the board is hereby empowered upon the application of a settler who has agreed to purchase any land from the board, who has not abandoned his land—

And so forth. The last clause in that paragraph, as I have quoted it, means that the man must be still on the land.

Mr. STEWART (Edmonton): He has not abandoned the land if his contract is not cancelled. If he has abandoned the land then he is outside the provisions of the act.

Mr. BOYS: You should provide for all cases where the contract has not been cancelled.

Mr. STEWART (Edmonton): We have covered that.

Mr. LADNER: There is a distinction between abandonment and temporary absence.

[Mr. Bury.]

Mr. BOYS: I do not want to worry the minister; indeed, I want to compliment him on the extraordinary patience he has shown in this matter, and I am convinced that he is most sincere in his desire to do what is best. I will therefore say no more but simply bring the point to his attention.

Mr. STEWART (Edmonton): I do not follow the argument of my hon. friend, and I want to understand it, because I do not wish to bring the bill back again unless I have it as nearly as possible in final shape.

Mr. BOYS: I understand the minister does not expect to do it at this moment. I propose that the committee rise and report progress.

Mr. STEWART (Edmonton): No. The committee will not rise until I get a definite idea of where we are going to land with this bill, because, as I say, when I bring it back I do not propose to be bothered with any further amendments. If it is not then satisfactory, the government will have to take the responsibility of passing the measure as submitted.

Mr. BOYS: All I am seeking to do now is to pass on to the minister what appears to me to be a conflict in the wording of these two sections. When he gives consideration to what I have said, if he thinks there is nothing in it of course he will not accede to it; on the other hand, if he thinks there is something in it, perhaps he will accept it.

Mr. BURY: Will the minister not delete the words "who has not abandoned his land" from sub-section 1 of section 68?

Mr. STEWART (Edmonton): I am informed that this section is for the purpose of taking care of cases where the soldier has sold his land to a civilian.

Mr. BOYS: I would say at once to the minister, there is no room for doubt in that case at all.

Mr. BURY: In such a case surely the soldier's agreement must first have been determined.

Mr. STEWART (Edmonton): I am informed that the section is to cover the case of a settler who has sold his land—abandoning it —under a three party agreement. Clearly, we do not intend to deal with any but soldiers.

Mr. BURY: The phrase "abandoning his land" will not cover that case at all.

Mr. STEWART (Edmonton): My hon. friend would not suggest that either the settler or the man who succeeded him should be given consideration?

Mr. BURY: No, I only suggest that the phrase does not cover the case.

Mr. STEWART (Edmonton): Mr. Chairman, I move that the committee rise and report progress. May I say that I am very thankful for the kind expressions of opinion respecting this bill, but I want to add, Sir, that when this measure comes down again the government will accept full responsibility for it, and I trust the committee will be ready to pass it without very much further discussion. I am going to amend the bill to meet what I think is the consensus of opinion of hon. members, but I certainly do not expect to spend another two or three hours over it.

Mr. STIRLING: May I ask whether the minister has given consideration to the point I raised with regard to the particular situation of those soldier settlers who have gone on orchard lands? I have been waiting for him to reach clause (c) so that I might again raise the point.

The CHAIRMAN: The minister has moved that the committee rise, therefore any discussion is out of order.

Mr. STIRLING: May I not speak to the motion, Mr. Chairman?

Mr. STEWART (Edmonton): I propose to look carefully into the suggestion.

Mr. STIRLING: The minister proposes to take it into consideration in that regard?

Mr. STEWART (Edmonton): Yes.

Progress reported.

OLD AGE PENSIONS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the House spent nearly a day on the second reading of the Old Age Pensions resolution. Possibly hon. members would be agreeable to allow the second reading to pass in order to get the resolution into committee. We would like to make a little progress to-day.

Mr. ROGERS: I think my right hon. friend should allow that to stand. It is a very important matter.

Mr. MACKENZIE KING: It is only the second reading of the resolution. It has still to be discussed in committee, and the bill founded on it has still to be introduced.

Mr. ROGERS: I quite appreciate that, still we must have some notice in view of the importance of this measure.

Mr. MACKENZIE KING: All right.

SUPPLY

DEPARTMENT OF LABOUR

The House in committee of Supply, Mr. Duff in the chair.

Department of Labour—Annuities Act, $5,000.

Mr. BOYS: Mr. Chairman, it is certainly a relief to find a reduction. Perhaps the minister will tell us how he is able to properly carry out the necessary work in connection with this item and at the same time cut off $15,000.

Hon. J. C. ELLIOTT (Minister of Labour): Mr. Chairman, this expenditure covers disbursements for travelling and advertising. The reduction is made because it is not expected that there will be any extensive expenditure for advertising this year.

Mr. HANSON: The Annuities Act has never been given its proper place in the life of the country, and I am surprised that my hon. friend, coming in with all the zeal of a a new minister, is desirous of cutting down the operations of his department with respect to this act. I cannot very well understand why the act should be under the Labour department. The Annuities Act of Canada is a fine thing, and should be promoted by the government, but I think it should be under a department which has offices in every part of the Dominion; in my humble judgment it should be under the Post Office Department, which I think is the plan adopted in the Old Country. We should have some statement of policy by the government as to whether they intend to go on with this scheme and push it. People who buy annuities under such a scheme as this are relieved of all anxiety for their old age; they get back everything without any expense, and it seems to me that instead of embarking upon a very expensive scheme of old age pensions this act should be helped in order to make it really worth while. I do not say one should be assisted to the exclusion of the other, but I do say that this act has never been given its fair share of public esteem. Will the government say whether or not the Annuities Act is to be shelved, to make room for the much more pretentious scheme of old age pensions?

Mr. ELLIOTT: There is no intention on the part of the government to shelve the Annuities Act. I quite agree that it is an excellent act and an important one, but we are

able to reduce the expenditure as it has been reduced in the estimates—which I may tell the committee very frankly were very largely prepared before I assumed control of the department—because it was thought that without any impairment of the usefulness of the act we could dispense with the sum which has hitherto been expended in advertising.

Mr. HANSON: I notice that the Post Office Department is now embarking on a large scheme of advertising; that is a department with a monopoly in its own field, and in my judgment it does not require any advertising at all. The Annuities Act should be made popular, and the only way in which that can be done is by publicity, bringing the advantages of the act before the public. I would suggest that the minister give some consideration to this matter before his next estimates come up—if they ever do come up—in order to see whether this act cannot be brought before the public as it should be.

I would like to ask the minister how many new annuities were purchased during the past year. Perhaps we might have the list for the past five years in order to show in some degree whether the act is popular with the public or whether they are leaving it alone, as I am afraid they are.

Mr. ELLIOTT: The total annuities purchased for the year 1925-1926 numbered 669, with a total value of $1,945,571, as compared with 486 annuities in 1924-1925 with a value of $1,606,665.

Mr. STEWART (Leeds): Would the minister please tell the committee how the appropriation was expended last year?

Mr. ELLIOTT: It was expended as follows: travelling expenses, $315.05; advertising, $60; printing and stationery, $916.44; telegrams, 80 cents; commissions paid to postmasters, $1,534.85; sundries, $56.14, and outstanding advances, $1.55, a total of $2,884.83 to March 17, 1926.

Mr. BOYS: I understand that it is the policy of the department, so far as possible, to sell these annuities at cost. I remember well a discussion which took place some two years ago; I cannot recall the
11 p.m. figures, but it seems to me that a very decided profit was shown in the sale of annuities, and the then minister intimated in the House that he had under consideration a possible revision of the basis upon which the cost of the annuities was worked out. I do not know whether the minister has had time to consider that question, or whether he is familiar with it. Can he inform the committee as to the financial state of the balance sheet for the past year in this connection? If the department is making a considerable profit, would it not be advisable to reduce the cost of the annuities? I remember inquiring into that cost, and I found it fairly high. The minister informed the House that possibly the time had arrived when some reduction in the cost of those annuities could be worked out. I think the cost is figured on a certain rate of interest, and the idea was that that rate might be varied, which would result in a lower cost to the purchasers. I am sure we all agree that this is a most excellent way for people to invest their money and to be assured of an income for the rest of their days. It should be made as convenient as possible, and I think the policy of the government should be to operate that branch as nearly at cost as possible.

Mr. ELLIOTT: I may say that that is the policy.

Mr. BOYS: Can the minister give us some idea of the condition of the balance sheet for the last year?

Mr. ELLIOTT: I shall be glad to furnish my hon. friend with that information; I do not have it at hand.

Mr. STEWART (Leeds): I asked the minister for details of the expenditure of last year, when $20,000 was voted. The items which he gave the committee amount to only about $3,000, and I wanted the particulars of the whole expenditure making up the $20,000 voted last year.

Mr. ELLIOTT: I have already given the items of expenditure.

Mr. STEWART (Leeds): Out of the $20,000?

Mr. ELLIOTT: Yes. The advertising was not proceeded with; it was not considered necessary last year, and that amount was not expended.

Mr. STEWART (Leeds): Then what was the total expenditure last year?

Mr. ELLIOTT: What I have already stated, $2,884.83.

Mr. STEWART (Leeds): And this year it is $5,000?

Mr. ELLIOTT: We are asking for $5,000.

Mr. STEWART (Leeds): Then you are asking for more this year, and there is not a

decrease of $15,000. What did the minister mean when he said that there was a decrease of $15,000?

Mr. ELLIOTT: If my hon. friend will notice, the estimate for last year was $20,000, which amount was voted. We are asking for a vote of $5,000 this year, a decrease of $15,000.

Mr. STEWART (Leeds): But there is an increase in the expenditure, perhaps?

Mr. McGIBBON: If I remember this act correctly it was introduced by the late Sir Richard Cartwright. I would like to ask the minister if there has been any revision of the rates since that time. Conditions have changed considerably during the last twenty years.

Mr. ELLIOTT: There has been no revision, so far as I am aware.

Mr. McGIBBON: Is any revision contemplated by the government?

Mr. ELLIOTT: Not that I know of.

Mr. BOYS: That is exactly what I wanted to follow up. I remember the then minister two or three years ago promising that consideration would be given to this matter, and I should like to find out if the department has done that. If not why not?

Mr. ELLIOTT: My information is that the matter has been discussed. It was suggested that there should be some revision, but it is found that the rates are as nearly correct as possible. Consequently there has been no revision so far as I am aware.

Mr. BOYS: If that decision has been reached it must be because little or no profit was being made.

Mr. ELLIOTT: The rates were as near cost as possible.

Mr. BOYS: If the business has been increasing as the minister points out there must have been some increase of profit. This feature is very important in the interest of the people who want to purchase annuities. I do not care whether the discussion comes under this item or some other item, but we ought to know just what money has been made by the department in this connection in the last year, in fact for three or four years, because the surplus must be piling up.

Mr. ELLIOTT: I shall be very glad to get that information for my hon. friend.

Mr. SUTHERLAND (South Oxford): Would the minister inform the committee when the administration of the Annuities Act came under the Department of Labour, and what department it was under prior to that time?

Mr. ELLIOTT: I understand that formerly it was under the Department of Trade and Commerce and later the Post Office Department. It was brought under the Department of Labour in 1922.

Mr. McGIBBON: May I ask the minister whether in the matter of sales the annuities have not been a failure, and if that is not largely due to the fact that people can get more advantageous terms from insurance companies?

Mr. ELLIOTT: There has been a substantial increase in the number of contracts. I could give my hon. friend a list of the contracts for the various dates starting with 1909. Since that year the contracts have been increasing steadily.

Mr. HANSON: Would the minister please give them?

Mr. ELLIOTT: The list is as follows:

Sept.	1, 1908	to Mar.	31, 1909,	66	contracts..	$ 50,391 31
Mar.	31, 1909,	"	31, 1910,	566	"	434,490 89
"	31, 1910,	"	31, 1911,	1,069	"	393,441 40
"	31, 1911,	"	31, 1912,	1,032	"	441,600 60
"	31, 1912,	"	31, 1913,	373	"	417,135 50
"	31, 1913,	"	31, 1914,	318	"	390,886 72
"	31, 1914,	"	31, 1915,	264	"	314,765 29
"	31, 1915,	"	31, 1916,	325	"	441,696 09
"	31, 1916,	"	31, 1917,	285	"	432,272 40
"	31, 1917,	"	31, 1918,	187	"	332,792 01
"	31, 1918,	"	31, 1919,	147	"	322,154 23
"	31, 1919,	"	31, 1920,	204	"	408,718 78
"	31, 1920,	"	31, 1921,	195	"	531,800 45
"	31, 1921,	"	31, 1922,	277	"	748,159 73
"	31, 1922,	"	31, 1923,	339	"	1,028,353 07
"	31, 1923,	"	31, 1924,	409	"	1,458,975 92
"	31, 1924,	"	31, 1925,	486	"	1,606,665 03
	Total..			6,542	"	$9,754,299 42

Mr. NICHOLSON: Going back to 1924-25, and following up what the minister has said, it would seem that there is a deliberate purpose on the part of the government to let this Annuities Act die. In the report of the Auditor General tabled this session we find that in 1924-25 the sum of $19,922.94 was spent in advertising the act. Last year nothing was spent, and according to the estimate now before us it is not intended that anything shall be spent during the current year. In other words no further effort is to be made to push the scheme. I support what has been said by my hon. friend (Mr. Boys), that the annuities scheme should be well advertised in the post offices in every town, village and hamlet. I am confident that if this was done there would be a very large increase in the number of those who are taking advantage of this splendid opportunity to provide for their own future.

Mr. BOYS: I have no desire to hold this item up, but I ask the minister under what item we may get the information we have sought and when further discussion can take place with respect to this feature so important from the two angles to which I have referred. If we can be sure of getting the desired information, and if the minister will agree to discuss the matter in connection with some other item, I have no desire to hold the vote up at the moment. But the minister must give us some idea as to how this will be done.

Mr. ELLIOTT: I give my hon. friend the assurance that in connection with the Conciliation and Labour Act vote the information asked for will be brought down.

Mr. BOYS: And this discussion will be continued?

Mr. ELLIOTT: Yes.

Mr. McGIBBON: Some years ago I got some information in regard to these annuities and found out that a man could obtain a great income if he invested his money in government bonds. Furthermore, he would have something to bequeath on his death. There must be something wrong in connection with the government annuities scheme, because the annuities are not selling as they should. I should like the minister to look into that.

Mr. ELLIOTT: The great increase in the number of annuities being sold indicates that my hon. friend's statement is scarcely correct.

Mr. HANSON: The increase is so small compared with the population served by the act that I do not think the minister and the department can claim very much credit. We have had very little explanation from the minister, but I quite appreciate the fact that as yet probably he does not know very much about the matter. The department is more or less dormant—I think that is a fair conclusion to arrive at—and it is dormant by reason of a lack of publicity. I do not think you can sell insurance or anything else unless you have publicity and go after the business. It is quite apparent that no energy has been displayed by the government in going after the business, and there has been insufficient publicity. I have never sold insurance but often I think I could. There are two requisites necessary to success—publicity, and an aggressive selling campaign. Apparently in this case we have not had either of these requisites. I consider this a fine scheme and I am rather anxious about it. Will the minister consider an active selling policy and an active publicity campaign? I would be willing to vote him the $20,000 if he would use it for the right purpose. I would like to have some assurance from the minister that he will look into the question of the cost of the annuity and the cost to the country as well. If the interest is too high he will have his actuary—and I presume there is an actuary in charge of this scheme—go over the figures, and if it is found, as I think it will be, that the scheme could be placed before the public in a proper way, he should so place it for the benefit of the Canadian people.

Mr. ELLIOTT: The increase over last year has been from 486 contracts, amounting to $1,606,665.03, to 669 contracts, amounting to $1,945,571.12. I do not think he will suggest that that is not a good increase. But I shall be very glad indeed to consider the suggestion my hon. friend has made, probably in the supplementary estimates.

Mr. BOYS: What is the total cash on hand to meet the various contracts?

Mr. MACKENZIE KING: We will use up the value of the item in the time we are discussing it.

Mr. CANTLEY: To my mind no question to-day is of more outstanding importance to this country than the question of thrift. We all know, or have some idea at all events, of what this country is up against in the matter of debt. I do not think there was ever a time when there was as much money expended, not only by youths but by adults, in extravagances of various kinds. No subject demanding the attention of this House

is more important than that of thrift in connection with the matter of annuities. This is an old age pension scheme under which the beneficiaries themselves contribute, and it should be brought to the attention not only of the youth of the country but of all people in Canada. The increase that the minister refers to is only a matter of 12½ cents per head of the population of the country. It is infinitesimal. I would like to know why $20,000 was asked for a year ago while, only $5,000 is asked for this year. According to the figures given by the minister, less than $3,000 was actually expended out of the $20,000 voted last year. It is obvious that nothing has been done in the way of publicity to bring this annuities scheme before the people throughout the country. If the plan was advertised and brought to the attention of the people as life insurance is advertised, I am quite satisfied the amount invested in annuities by all portions of the population would be a thousand times as much as it is to-day, and that is as it should be. I suggest that the new minister bring this matter before the people so that the youth of the country will realize that, by a very small monthly payment, they can make themselves independent at fifty years of age or a little later in life. I hope something worth while will be done by the new broom which has appeared in the department to-day.

Item agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.20 p.m.

Wednesday, April 14, 1926

The House met at three o'clock.

PETITION FROM THE BLIND

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, may we have the petition from the blind persons in the city of Winnipeg, presented yesterday read to the House?

Mr. SPEAKER: The Examiner of Petitions has reported that the petition does not contain matter in breach of the privileges of the House, and it may be read by the Clerk of the House.

The petition was read, as follows:

To the honourable the House of Commons in parliament assembled:

The 18th day of January, A.D. 1926.

The petition of the undersigned blind persons representing themselves and other blind persons in the city of Winnipeg and throughout the province of Manitoba, humbly showeth:

1. That among such blind persons there are a number who are aged and have no means whatever of their own and because of their age and blindness are absolutely incapable of maintaining themselves and their dependents.

2. That there are among such blind persons a considerable number over fifty years of age who have no means of their own and are incapable because of their blindness to maintain themselves and their dependents.

3. That there are in this province a considerable number of blind persons fifty years of age or under without means who, because of their blindness, are unable to earn sufficient to maintain themselves and their dependents.

4. That there are in this province a considerable number of blind persons under fifty years of age who are without means of their own and who, by reason of their blindness and other disabilities, are absolutely incapable of earning anything whatever for the support of themselves and their dependents.

5. That such blind persons being without and unable to earn their own livelihood or support themselves and their dependents are either living in dire poverty or have been and are dependent upon the charity of others and as a result such unfortunate persons are finding it exceedingly difficult to live, and the lives of many are being considerably shortened.

6. That different countries have enacted measures involving the expenditure of moneys for the purpose of maintaining the unfortunate, and are providing assistance in the form of old age pensions and mothers' allowances.

7. That the obligation of the state to guarantee to those of its unfortunate members who have become incapable of maintaining for themselves and their dependents a reasonable standard of living now appears to be generally recognized.

Your petitioners most respectfully therefore pray: That your honourable House will at once enact legislation which will provide for a system of pensions to such blind persons in the Dominion of Canada who are incapable of maintaining themselves and their dependents, with the end in view of enabling such persons and their dependents to enjoy a reasonable standard of living.

And your petitioners will ever pray.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PENSION TO LT.-COLONEL J. S. O'MEARA

Mr. DELISLE:

1. Is Lt.-Colonel J. S. O'Meara, residing in the city of Quebec, in receipt of a government pension?
2. If so, on what date was said pension granted and for what reason?
3. What does said pension amount to?

Hon. Mr. LAPOINTE:

1. No.
2 and 3. Answered by No. 1.

QUESTION PASSED AS ORDER FOR RETURN

SUBSIDIES TO PROVINCES

Mr. JONES:

What are the amounts of subsidy under each head paid to each province of the Dominion in each year since confederation?

UNOPPOSED MOTIONS FOR PAPERS

REMUNERATION TO ELECTION OFFICIALS IN ATHABASKA

Mr. LUCAS:

For a return showing a list of the election officials, together with the amount of remuneration paid to each, and the kind of service performed, in the constituency of Athabaska.

PAYMENT OF ELECTION OFFICIALS IN ATHABASKA

Mr. LUCAS:

For a copy of all correspondence, letters, telegrams, and other documents passing between the chief electoral officer and any other person or persons relative to the payment of election officials in the constituency of Athabaska.

RICHIBUCTO COLLECTOR OF CUSTOMS

Mr. DOUCET:

For a copy of all correspondence, reports and other documents, regarding the retirement of John D. McMinn as collector of Customs and Excise of the port of Richibucto, and his subsequent superannuation.

NATIONAL SYSTEM OF BANKING

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this House, the time has come for the establishment of a national system of banking.

He said: Mr. Speaker, last year I introduced a motion of similar purport to this though it was put in rather the negative form:

That, in the opinion of this House, it is not in the interests of the country at large that the privilege of issuing currency and of controlling financial credit should be granted to private corporations.

In connection with my presentation of the case at that time I discussed at some length the accepted theory of money, and it is not my purpose to go over in any detail the ground covered then. However, since this is more or less a new House, I should like to outline very briefly the position then taken.

We have to-day three principal kinds of money: First, gold money, which is practically not in use in this country; second, money which we call bank note money, and third, cheque money. About ninety-six per cent of the entire business of Canada is carried on by means of the cheque system. The bankers are very hesitant about admitting that cheques constitute real money, for a reason that I shall give in a few minutes, but in classifying cheques as money I have the authority of no less a person than the Right Hon. Reginald McKenna who said:

Let me define the sense in which I shall use the word "money." I understand by it all currency in circulation among the public and all bank deposits drawable by cheque.

So that cheque money is just as much money as gold or bank notes. We come to the second point: What determines the value or purchasing power of money in this country, we will say of the individual dollar? I tried to point out last year that the accepted theory of the economists is that the value of money varies inversely to the quantity in circulation. As Professor Taussig in his Principles of Economics puts it:

Double the quantity of money, and, other things being equal, prices will be twice as high as before and the value of money one-half. Halve the quantity of money, and, other things being equal, prices will be one-half of what they were before and the value of money double.

It then becomes obvious that those who control the quantity of money in circulation, whether of gold, bank notes or credit, control the value of all other things since all other things are measured in terms of money. The only way of increasing the quantity of gold is by digging it out of the earth. The quantity of bank notes may be increased by putting the printing presses to work, but either directly or indirectly the government control the quantity of bank note money in circulation. It is, however, an altogether different matter with credit money, which is, according to the Right Hon. Reginald McKenna, "bank deposits drawable by cheque." To a very large extent the control of the amount of this class of money that is in circulation is in the hands of the banks, and this without any supervision or regulation whatever by the government. In that sense then, it may be said that we have handed over to private corporations the right to make money or to destroy money. In the old days, what was termed "coining" was regarded as a most serious offence. It is still a serious offence as regards producing gold or subsidiary coins, but to-day we have actually turned over the privilege of the "coining" of the newer kinds of money to private corporations.

In my presentation of the case last year I ventured to summarize what seemed to me to be the privileges which, under our Bank Act, are granted to private corporations. First of all, to a considerable extent, banks control the savings of the people. This is a most important function. Second, they have the very important franchise of issuing currency, a franchise that incidentally brings considerable profit to themselves. But much more important than either of these is the control of credit which, as I said a few minutes ago, is almost entirely in the hands of the banks and without any regulation by any governmental authority. In the fourth place, private banks to a considerable extent do the financ-

ing for the government itself. This means that we have these private corporations placed in a position where they can practically dictate financial policy for the whole country. Through interlocking directorates, to which reference was made on the floor of this House during the time of the Bank Act revision, banks are able to have a very large control over other corporations, such as insurance companies, trust and loan companies, as well as commercial and industrial organizations. My conclusion of last year, therefore, is this:

My thought is not that we should attempt to break this monopoly that we have to-day, this money monopoly, but rather that in some way the people themselves should assume the direction or control of the monopoly, and use it not in the interests of a few but administer it in the interests of the whole of the people of Canada.

I am very glad to say that although the financial papers ridiculed my motion of last year a very considerable number of people throughout the country have endorsed the ideas which were therein put forth. At a meeting of the Farmers' Union of Canada held at Saskatoon on July 21 and 22, 1925, a long resolution was passed concluding as follows:

Therefore be it resolved that we, the Farmers' Union of Canada, in convention assembled, do hereby endorse the motion aforesaid moved by J. S. Woodsworth in the House of Commons, and call upon every citizen, irrespective of party, and in the general interest and welfare as we do ourselves hereby agree, to vote for only those federal nominees who will pledge themselves to support by voice, work and vote at Ottawa the principles embodied in the Woodsworth motion.

That organization of some 20,000 members has thus definitely placed itself behind the principles embodied in that motion. The organization may possibly not count for very much in certain circles in eastern Canada, but I can assure the House that the influence which it exerts in western Canada is by no means negligible. We have also along somewhat similar lines a resolution passed recently by the United Farmers of Alberta at their convention. It was recommended:

"That suitable steps be taken to establish and put into operation a central bank for Canada, the policy of this bank to be controlled by and in the interests of the people of Canada." The convention also urged upon the Alberta government the desirability of making a thorough investigation into the present system of financing, and if the principle is found feasible, that they "urge the Dominion government to pass legislation to make a change from our present system of financing to that of a treasury bill." The resolution described the present system as "a debt creating and not a debt paying system."—U.F.A., February 15, 1926.

Not only are the farmers' organizations taking action in this direction, but the fact is apparent that at least some of our businessmen are not quite so assured as they were two or three years ago that our present Canadian banking system is the last word in financial efficiency. Let me quote a few paragraphs from the Petroleum and Mines Journal published in Vancouver. The following appears in its issue of July, 1925:

Federalizing of industries, state control of commercial institutions, or unique interference with the trade and commercial activities of a civilized people will not be conceded by any true economist.

Evidently this journal is not particularly socialistic in its outlook.

But there are certain institutions which statesmen in their vision do arrogate to the state, the right to monopolize. In Australia, railways, street car systems, telephones, telegraphs and post offices, know no private stockholders. The post office is in every country a monopoly of the state. The others are not always so. Of late the Australian federation has partially interfered in the banking system and converted the Post Office Savings Bank into a strong federal bank of issue. Grave suspicions are afloat that it is the thin edge of the wedge to monopolize the whole.

Again:

There are many who believe that the banking system of Canada lends no aid to the development of the country's latent resources, that the monopoly of the country's currency by private corporations is beneficial to traders in Belgian francs and Cuban sugar, victory bonds and shares, but of little use to the hardy pioneer of native development—that the system finances speculation but leaves the government to finance getting in the country's harvest. A system which lends itself to developing the native resources of the country—regardless of cost—indifferent to minor risks, uses the credit of the nation as its basis of finance is asked for—a system applied in the art of war but which stupid statesmen seem to think inapplicable to the arts of peace.

The author goes on to answer certain objections which had been raised to the effect that the federalization of the banking system would ruin the country while fraudulent politicians had influence. He says:

Dishonest administration is no answer to sound principles. The whole financial world recently financed on the credit of their respective nations and they are still carrying on business at the old stand. The money borrowed was not for production either. It was for destruction—not only for centuries of savings but of millions of human beings as well. Destruction financing is scientific, but production financing, no! This is the fetish of modern finance. To feed the living is unbusinesslike, but to kill—well! the money is forthcoming.

In this connection I want to give one other quotation from one who is, I think, more or less recognized as having the right to express opinions upon public questions. This statement, which is familiar to most of us, was made at the time of the recent election. I am not particularly concerned with its political significance but I am interested in the statement itself. Sir Clifford Sifton said:

We are rapidly approaching that condition in which two, or at least three banks will be doing the whole

of the business of the Dominion and you will have the spectacle of about three men sitting on the whole of the funds of the people of Canada, deposited in the banks, and deciding to whom they will loan these funds.

Sir Clifford Sifton does not seem to exercise the reserve which even a soap-box orator must cultivate, for he says:

If anything will justify armed rebellion against the established condition of affairs, I think such a consummation of our banking system is the one thing that would justify it.

He concludes:

I declare the fight in this election is not primarily about the tariff. The issue is monopoly or no monopoly: Monopoly of the money power, monopoly of transportation on land, monopoly of transportation on sea, control of the government by half a dozen plutocrats in Montreal instead of the people.

Personally I do not care very much whether the plutocrats are located in Montreal or whether this is just a fractional fight between the plutocrats of Toronto and those of Montreal. The fact is that to-day our financing is undoubtedly becoming highly centralized.

Let me now refer to a statement made a few months ago before the Academy of Political Science by Professor W. Z. Ripley of Harvard. Ripley notes especially the divorce of property ownership from direct accountability for its prudent and efficient management and the assumption of irresponsible control by bankers. According to him these tendencies, because they enthrone the bankers, menace alike the welfare of private owners and of the working class, because the possession of uncontrolled power is always certain to entail abuse. I quote his exact words:

The present transformation is merely in respect of the seat of power. All kinds of private businesses are being bought up by banking houses and new corporations are being substituted in order that the purchase price (and more) may be recovered by the sale of shares to the general public. But the significant change is that the new stock that is thus sold is entirely bereft of any voting power, except in the case of bankruptcy.

So great is the opposition that is steadily growing to the banking monopoly that the Financial Post in its issue of January 8 of this year asks rather naively:

Will Canadian banks be forced to take steps to guide opinion?

The Financial Post apparently is oblivious to the fact that it became known to the whole country at the time of the revision of the Bank Act that the Bankers Association spent $100,000 in their effort to "guide opinion" —and they seemed to be able to guide it fairly effectively so far as the majority of the members of the Banking and Commerce committee was concerned.

[Mr. Woodsworth.]

Mr. McGIBBON: If I might ask the hon. member a question: Is the inference to be drawn that the Bankers Association spent the money on the Banking and Commerce committee?

Mr. WOODSWORTH: The inference to be drawn is that the Bankers Association spent $100,000 in connection with the revision of the Bank Act. I presume most of it was spent in retaining a large number of very highly priced lawyers whom we saw around the committee room throughout the whole time the Bank Act was under discussion.

I submit, Mr. Speaker, that only the federal authorities should be permitted to make or destroy money. Mr. McKenna, whom I have already quoted, said a year or so ago in an address to the Midland Bank shareholders:

I am afraid the ordinary citizen will not like to be told that the banks or the Bank of England can create or destroy money.

The bankers are not anxious to have the public informed with regard to that matter. It is very true. In this country to a very large extent the private corporations have it in their own hands to make or destroy money.

Mr. CAHAN: What does the hon. gentleman mean exactly by that?

Mr. WOODSWORTH: I have already suggested my meaning. I shall be glad to elaborate it. I have said there were really three kinds of money to-day—gold money, bank-note money, and money that is drawable by cheque.

Mr. CAHAN: And which of those do they destroy?

Mr. WOODSWORTH: As I said, they do not destroy gold money, nor do they destroy bank-note money; but they do control the amount of credit,—

Mr. CAHAN: And do they destroy cheques?

Mr. WOODSWORTH: —and in that way they have the power of creating or destroying money.

Mr. CAHAN: Will the hon. gentleman allow me? I can well understand that a cheque on a bank which is met by a credit is destroyed or becomes non-effective when it is paid; and possibly the manipulation of destroyed cheques may be in the hands of the bank or of the drawers of the cheques; but I ask: How do banks destroy money by paying cheques, or liquidating cheques, or by giving credit on cheques?

Mr. WOODSWORTH: Mr. Speaker, I am sure the hon. gentleman gives me credit for understanding a little bit more about money than would be suggested by his question.

Mr. CAHAN: I suggest to the hon. gentleman that he give us a little more credit than he seems to do in his explanation.

Mr. WOODSWORTH: I am not suggesting at all the actual destruction or creation of the credit instruments as the way in which money itself is made or destroyed. What I am suggesting is that credit itself may be extended or contracted, and that the very expansion of credit—which we call inflation—or its contraction—which we call deflation—is in effect the making or the destroying of money.

Mr. CAHAN: May I ask another question?

Mr. WOODSWORTH: Certainly.

Mr. CAHAN: When the credit of the country is enlarged every year for the purpose of transporting wheat from the west to foreign markets, does the expansion of that credit depress wheat prices or in any way destroy money?

Mr. WOODSWORTH: No, because in that particular instance the larger amount of money is needed to do a particular work, and when that work is done the money is recalled; but that is not inflation.

Mr. CAHAN: May I ask another question? Is there any time in the history of banking when extensions of credit to merchants or manufacturers or others are not given for a particular purpose in commerce or manufacture or industry, whether growing fruit or wheat or producing any manufactured article?

Mr. WOODSWORTH: Very often, as a matter of fact, credit is so given. But I am not talking of the giving of credit in one particular instance, I am talking about enlarging the whole volume of credit.

Mr. CAHAN: The hon. gentleman must admit that the total volume is always made up of particular instances.

Mr. WOODSWORTH: Quite so; but at the same time it may be greatly extended or greatly contracted. Let me come back to my quotation again. Surely Mr. McKenna had something in view when he said:

> I am afraid the ordinary citizen will not like to be told that the banks or the Bank of England can create or destroy money.

I am not sure that the hon. gentleman likes to have that driven home. Let me quote further—and I am quoting somewhat extensively to-day because if I spoke on my own behalf it might be considered that I knew comparatively little of business or banking or economics and my words might be discounted; therefore I am quoting from those sources which cannot be easily set aside. Let me give a paragraph which carries on the thought I have been expressing. It is from an article entitled "National Credit is the Real Currency Basis." It is by Stanley Clark who operates a statistical service. He says:

> What would happen to the modern Rip Van Winkle who went to sleep in 1913 with his money belt about him containing $1,000 in Dominion government notes and $1,000 in Canadian bank notes and awoke on August 31, 1924, hungry, thirsty and clad in rags? What if on that day, by proclamation, all note issues were to be redeemed to the amount of gold available for that purpose and his paper money would not be accepted for his needs.
>
> He would find that this $2,000 in notes would obtain for him only $1,000 in gold. If he wished to spend the whole $1,000 in refurnishing the inner and outer man, he would find that prices had gone up in eleven years to the extent that his $1,000 would buy him only as much as $640 would have bought him on the day he went to sleep, so he would realize in goods only 32 cents out of every paper dollar when his gold basis was put to the test.

Mr. CAHAN: If the hon. gentleman would allow another interruption—is there any other application to that case than that it is inopportune to go to sleep for some twenty or thirty years?

An hon. MEMBER: Better not wake up!

Mr. WOODSWORTH: I take it, Mr. Speaker, that even although a man should go to sleep for twenty or thirty years, if money is as stable as we have been informed it is, his money would be there when he awoke. That is the point. To-day his money has vanished. If money is as unstable as that, we need to know what group of people is sending money up or down in value. I should like to quote another paragraph for the benefit of my hon. friend from a pamphlet by Professor Irving Fisher entitled "Ethics in the Monetary System." This is along the very lines that he gave us before the Banking and Commerce committee three years ago. Professor Fisher altogether exonerates any individual from responsibility for the vanishing of these dollars, but he points out that the dollars do vanish and that the system is responsible.

> The robber dollar does the stealing, the social injustice. The extent of this subtle robbing is prodigious. Professor W. I. King, one of the best statisticians I know, when appearing in favour of a bill in congress on this subject a year or so ago, said that as nearly as he could reckon it, there had been a sort of pocket-picking to the tune of forty billions of dollars in the United States during the last half dozen years. What would we in America do if we realized that fact to-day? Supposing there had been a forty billion dollar robbery, or a tenth

thereof, a four billion dollar robbery, such a robbery would be on the front page of every newspaper. And yet a forty billion dollar robbery, which you could not personify and localize, and which is due to our unstable monetary system, is something which as such we do not think anything about, because we do not realize it.

Mr. CAHAN: What is the date of that, please? Mr. Fisher changes his opinion so frequently that one would like to know the date of that announcement.

Mr. WOODSWORTH: The pamphlet is not dated, but Mr. Fisher gave evidence of this character before the Banking and Commerce committee three years ago.

Mr. CAHAN: No man in America changes his opinion more frequently than does Professor Fisher.

Mr. WOODSWORTH: I should like for a moment to refer to the question of the gold standard, simply because there are gentlemen in this House and throughout the country who still believe that it is the gold standard which gives something like stability to the value of our money. Let me again quote Mr. McKenna, the chairman of the Midland Bank. I do not know whether he changes his opinions, but he said:

A managed currency has been kept more stable than one based on gold.

But he remarks somewhat cynically:

So long as nine people out of ten in every country think the gold standard is the best, it is the best.

I should also like to quote the opinion of Mr. John A. Hobson on the gold standard, as published in The Nation of April 29, 1925:

Stability of the internal level of prices is to be achieved by a "managed money" independent of the vagaries of gold values.

And again:

It is at least significant that neither Britain nor America is regulating her money system on the previously accepted gold basis. Not only is gold no longer used for internal currency in either country but the credit issue and general volume of purchasing powers are not regulated by relation to quantity of gold.

And again:

For experience and statistical research have made it evident that the old notion that quantity of gold regulated the total volume of money and so the level of prices, by a reliable automatic operation, was never true, and that the acceptance of the falsehood was responsible for grave errors in banking policy reflected in needless fluctuations of prices and industrial activity.

Mr. CAHAN: May I interrupt my hon. friend for a moment?

Mr. WOODSWORTH: Just a moment. Again Mr. Hobson says:

There is a new and strong argument that money can and should be managed by national financial

controls, with as much international co-operation as can be got, and that this control will involve, to a constantly diminishing extent, the use of gold, either as a store of values or as a standard.

In quoting Mr. Hobson it might be well to give the following:

A protective policy which undertakes to stop payment, by adjusting the tariff to meet every cheapening of foreign goods seeking to enter the American market, removes the natural check upon the efflux of gold which seeks to correct a falling exchange by stimulation of exports.

Mr. CAHAN: I was going to ask the hon. gentleman whether that statement, which is destructive of the quantitative theory of money, is not equally destructive of the premises with which the hon. gentleman opened his argument.

Mr. WOODSWORTH: Not at all; this statement is not destructive of the quantitative theory of money.

Mr. CAHAN: It says it was not a theory that was ever true.

Mr. WOODSWORTH: The trouble is that the older economists, in applying the quantitative theory of money, thought only of gold because originally gold was the standard. Since that time a large quantity of new money, that is to say, bank note money, has also come into existence. Not only that, but still later we find a third kind of money, cheque money. According to my understanding, the quantitative theory must be taken in view as applying not merely to gold money but also to bank note money and cheque money.

Mr. CAHAN: Were not cheques and bank notes in existence when Taussig created his theory, from which the hon. gentleman has produced his premises?

Mr. WOODSWORTH: Quite so, and Hobson and the others on this point are quite in agreement with Taussig.

I have already made some reference to the fact that the banks were largely responsible for the government finances. We have been apt to look to Great Britain for our lead in respect of banking arrangements, and I might say that in England there is a very considerable move towards reform in financial affairs. In showing the power of the banks I think I cannot do better than quote from a little leaflet which has come into my hands through an organization of which the president is Right Hon. J. R. Clynes, M.P. I think this is sufficient to vouch for the accuracy of the statement:

In 1694 the charter of the Bank of England was granted in return for the loan of £1,200,000 at 8 per cent interest to William III, for his wars in Flanders. By means of that miracle worker, unpaid compound in-

terest, this £1,200,000 became in the course of a few years £14,686,000. To-day, after paying back about £3,670,900 capital reduction, and £100,000,000 in interest, Great Britain still owes the Bank of England £11,015,100, with interest upon same at the rate of about £275,000 per annum. Of course this interest helps to increase our income tax.

What, however, is so significant is that for centuries the Bank of England has treated Great Britin's indebtedness exactly the same as if it were gold, so that to-day the Bank prints and issues £11,015,100 worth of bank notes to its customers at the current bank rate of interest or over, solely upon the security of Great Britain's promise to pay, that is her credit power.

But if the Bank of England considers the credit power of Great Britain good enough to justify it in printing and issuing solely for the bank's own private profit over eleven million pounds worth of notes upon which it draws from 4 per cent to 5 per cent in interest, say £500,000 per annum, or £50,000,000 per century, why cannot this same credit power be issued by the treasury, against tangible assets, to help our farmers, manufacturers and exporters develop and protect our agriculture, manufactures and exports?

We have not yet exhausted this remarkable transaction, because if Great Britain still owes the Bank of England £11,015,100, and still ought to pay about £275,000 per annum in interest, as we do, how are we to describe the printing and issuing of Bank of England notes for this same amount, in addition? Either the right to print and issue bank notes for over eleven million pounds cancelled out Great Britain's debt immediately it was granted by the treasury, or else the Bank of England has collected about £150,000,000 in interest more than it was entitled to. In any event the borrowing of £1,200,000 from the Bank of England in 1694 has cost the community, so far, in one form and another, about £250,000,000.

It is not very much wonder that there is before the House of Commons in Great Britain at the present time a bill to nationalize the Bank of England.

While my motion calls for the nationalization of our Canadian banking system, I would like to suggest that we should be very practical to-day and consider what could be done in the immediate future. What could and should be done now? First of all, I urge that the currency should be issued by the government. I am going to leave these points to be developed more fully by other speakers; I simply repeat, my first suggestion is that the currency should be issued only by the government.

Secondly, I would urge that our post office savings banks should be developed and modernized, and freed from red tape. There seems to be no reason whatever why in practice the people should be driven to deposit their savings in private banks except that they find it so awkward to do business conveniently at the government savings banks. We could greatly increase the business done by our government savings banks, and at the same time provide a source from which the government itself could draw very largely for its loans.

My third point is with regard to provincial savings banks. We have these banks in Ontario and Manitoba, and in both cases they are carrying on very successfully. I would urge that these provincial savings banks be given full banking privileges.

Mr. HANNESSON: Have they asked for that?

Mr. WOODSWORTH: I am suggesting certain things that might be done. In this connection I might say that even in Great Britain, which is supposed to be very conservative, people's banks are being encouraged. There is, for example, in Birmingham a municipal bank. You can imagine the horror with which our people in this country would view the advocacy of the establishment of a municipal bank, and yet they have it in England.

Mr. GEARY: Is there not one in Toronto at the present time? The Penny bank?

Mr. WOODSWORTH: I do not know whether you call the Penny bank a municipal bank.

Mr. GEARY: It is run by the municipality.

Mr. WOODSWORTH: I have heard of the Penny bank, but I am not sure how far that goes; I would be glad to hear more about it from the hon. gentleman when he speaks.

Mr. GEARY: It is a good start.

Mr. WOODSWORTH: May I just quote this extract with regard to the Birmingham municipal bank? Mr. Neville Chamberlain, on opening a new branch of the bank, said:

> You may call it socialism, if you like. I have never been frightened by a name. I do not care whether it is socialism or not, so long as it is a good thing. I think our experience proves that the Municipal Savings Bank has advantages which other forms of savings banks have not.

I have here a paragraph with regard to the operation of the bank:

> The result of the rapid progress made during the past six years is that the bank now has 32 branches; and there is a reserve fund of £70,000, whilst over 160,000 depositors have accumulated funds standing to their credit of over £5½ million.
>
> The bank advances money on mortgage to depositors for the purchase of their private dwelling houses. For this purpose £352,544 was advanced last year. Since the establishment of the bank £974,959 has been advanced for this purpose.

I might add that the ratepayers have never been asked to find a penny of capital; on the other hand, they have benefited, for the surplus funds of the bank over those

loaned to depositors for the purpose of buying their own houses, are loaned to the corporation at a rate of interest below that which the corporation would have to offer on the general money market for its loans, while still making a margin above the 3½ per cent which is paid to depositors.

4 p.m.

In the next place, I would urge that there be given larger facilities for co-operative credit. It would seem to me that there should be an amendment to the Finance Act, so that producers' organizations may secure advances on securities similar to those now accepted from the banks. Why should the wheat pool, for example, be forced to go to a private corporation in order to secure money to finance its operations? Why should it not go directly to the treasury, and deposit with the treasury the very selfsame securities which it now has to deposit with the bank, and which the bank, in turn, deposits with the Treasury board?

Mr. KAISER: As long as they get the money, what difference does it make where they get it?

Mr. WOODSWORTH: One minor difference would be that from one to two per cent would be saved to the farmers.

Mr. KAISER: Perhaps.

Mr. WOODSWORTH: I think that is probable.

Mr. KAISER: It is a great big "perhaps."

Mr. CAHAN: Under present conditions an organization dealing in wheat, the wheat pool for instance, goes to a bank and gets credit on its notes, or sometimes by pledging its bills of lading and that sort of thing; it may also, under the Bank Act, get credit itself on its wheat. But, under the Bank Act, can any bank advancing credit on such assignments of bills of lading and securities of that kind get money from the Dominion government on those very same securities?

Mr. WOODSWORTH: Money can be procured from the Dominion government, I think we all recognize, to help carry the wheat crop.

Mr. CAHAN: But what security do the banks give?

Mr. COOTE: Bills of lading.

Mr. WOODSWORTH: Bills of lading, I believe.

Mr. CAHAN: Direct to the government?

Mr. WOODSWORTH: I think so. I should be glad to hear from the Finance Minister on that point, but I am informed by those who are in touch with the details of the business that the security which the government demands is precisely the same as that which the farmers are able to advance, to the banks.

Mr. CAHAN: If the banks do put up that same sort of security, the government has, in addition, the security of the banks themselves.

Mr. WOODSWORTH: It may have, but I am inclined to think that the wheat crop of the west is as good security as any government is likely to get.

Mr. McGIBBON: Would the hon. member carry his theory further and have the treasury of this country finance every industry?

Mr. WOODSWORTH: I have not suggested that, but I see no reason whatever why there should be maintained a financial monopoly such as we have to-day. Why should not producers' organizations of all kinds be able to do their own financing? Why should they have to be dependent upon a group of some ten private banks?

Mr. CAHAN: Why should not the producers' organizations be permitted to issue their own money as they did one hundred years ago?

Mr. WOODSWORTH: I should say they have every bit as much right to issue their own money as the bank has to issue its private money.

Mr. CAHAN: Would the hon. member suggest what would be the value of it, in most cases, if issued?

Mr. WOODSWORTH: It would be just as valuable, since there would be the same security behind it as there is under the existing system. But I am not advocating that these producers' organizations should have the right to issue money. On the contrary I want to take away the right of issuing money from all except the government itself.

Mr. KAISER: Would not that be creating a monopoly? There are ten banks at the present time, and you want to do away with their power to issue money and centralize the whole power of issue in the government. What is the difference between having the power in the government or in our banking institutions?

Mr. WOODSWORTH: The difference is that the private institutions now receive their own profit, and if there is any money in the operation I think it should be secured by the government itself. I have no fear of a government monopoly.

Mr. KAISER: The government must decide who is to receive credit.

Mr. WOODSWORTH: Oh no.

Mr. KAISER: You want it so that everybody will get credit. The great difficulty is to get credit.

Mr. WOODSWORTH: You have not got my meaning at all.

Mr. CAHAN: Presuming the government had a monopoly of the issue of money, and the Conservative government were in office for instance, do you think the Liberals of this country would secure very much credit from them, or vice versa?

Mr. WOODSWORTH: As the hon. member knows, the government has a monopoly in issuing gold money. It has a monopoly in issuing certain classes of notes. I do not see why the issuance of bank notes of higher denomination should be turned over to the banks. I do not see why it should not be with the government. I do not see why politics enters into it, although some hon. gentlemen would like to drag it into the discussion.

Last of all, I should like to see the creation of a central bank board, something along the lines of the Federal Reserve Board in the United States. This central bank board would do the work now done by the Treasury board, but further than that it would act as a federal reserve board. It alone would issue currency and it alone would control discount, and if there is any financial value either in the issuance of currency, as I have said before, or in the control of discounts, that financial advantage should be in the hands of the government and not in the hands of private corporations.

Mr. CAHAN: Is the Federal Reserve Board of the United States not in the control of private corporations?

Mr. WOODSWORTH: Yes, unfortunately.

Mr. CAHAN: Then why suggest an analogy with the Federal Reserve Board of the United States whose boards represent the directors of the individual banks who are members of it. They are controlled by the individual banks?

Mr. WOODSWORTH: If the hon. member had waited a moment I was going to suggest instead of that board being a bankers' board it should be distinctly responsible to the government of this country. That is the difference between the central bank I should like to have and the existing Federal Reserve Board of the United States.

Mr. CAHAN: Something after the manner and method in which the board of the National Railways is responsible to the government, I suppose?

Mr. WOODSWORTH: That is a matter for consideration. I should like to place on record one or two paragraphs from a memorandum on currency and central banks from 1913 to 1924, as published by the League of Nations. I think probably hon. gentlemen will regard this as sufficiently authoritative. It is a huge work comprised in two volumes and containing some five or six hundred pages. Referring to the Canadian system this book says:

> The chartered banks are commercial banks; but, owing to the absence of a special central bank in Canada, they have assumed certain functions which in other countries are mainly exercised by such banks.

In Canada our chartered banks have assumed certain functions which in other countries are mainly assumed by such banks.

Mr. CAHAN: Like the Bank of England?

Mr. WOODSWORTH: Yes, that is a central bank. With regard to the Federal Reserve Bank in the United States, I should like to quote a statement in this memorandum:

> By the Federal Reserve Act (approved December 23rd, 1913) a regional reserve bank system was established in the United States. There are twelve federal reserve banks located in various sections of the country. Each such bank acts as a central bank for the commercial banks of its sections, the latter being the sole shareholders of the reserve bank. Although the various reserve banks are formally independent of each other, they are under the direction of a common central authority, the Federal Reserve Board in Washington. This board consists of two ex-officio members: the Secretary of the Treasury (Minister of Finance), who acts as the chairman of the board, and the Controller of the Currency; and, in addition, five members appointed for a period of ten years by the President of the United States on the advice and with the consent of the Senate. At least two of these five members must be "experienced in banking and finance". The Federal Reserve Board appoints three of the nine directors of each federal reserve bank, the six remaining directors being in each case elected by the member banks. There of these directors are representatives of the member banks, whereas the remaining three must be men who are actively engaged in their respective districts in agriculture, commerce and industry. The three directors appointed by the Federal Reserve Board cannot be officers, directors or stockholders in any bank, one of them being chairman of the board of directors of the Federal Reserve Bank and at the same time "Federal Reserve Agent" of the Federal Reserve district, another of these three directors being his substitute. The chairman of the board of directors is required to be a person of "tested banking experience".
>
> Besides the Federal Reserve Board, there is a Federal Advisory Council consisting of twelve members appointed by the boards of directors of the twelve federal reserve banks. This council is convoked by the Federal Reserve Board at least four times a year. As indicated by the name, it has only an advisory vote.

The main function of the Federal Reserve Board is to control the operations of the reserve banks and, in general, to see that the Federal Reserve Act is properly applied. It may "examine at its discretion the accounts, books and affairs of each federal reserve bank and of each member bank and require such statements and reports as it may deem necessary." The Federal Reserve Board does not interfere in the details as regards the discount operations of the federal reserve banks, but it lays down the rules to be followed by them and is given large powers in matters of general policy. The power of issuing federal reserve notes under the act is thus entirely in the hands of the board. In view of the unified working and the strict centralization in all essential matters, the federal reserve organization as a whole corresponds closely to the central banks in other countries.

And I should also like to place on record a statement in this memorandum with regard to the situation in Australia. I think this suggests to us some of the lines along which we might well proceed:

The Commonwealth Bank was established under a special act dated December 22, 1911, as a state institution managed by a governor and a deputy-governor appointed by the Governor General of the Commonwealth. It had no basic capital, but the Commonwealth government was and is still responsible for all moneys due by the bank. On the other hand, one-half of its net profits is credited to a special "redemption fund," which, though under the administration of the bank, could be used in paying off Commonwealth debts or state debts taken over by the Commonwealth.

The bank was not at first a bank of issue, the issue department of the treasury established under the Australian Notes Act of 1910 maintaining the issue of Australian notes. In December, 1920, however, the control of the Australian note issue was handed over to the Commonwealth Bank, a special issue department of the bank being established for this purpose. This department, to which the assets and liabilities of the note-issuing department of the treasury were transferred was under the management of a board appointed by the Governor General of the Commonwealth and included the governor and secretary of the bank, a leading treasury official, and two outside financial experts. It was provided that, in times of emergency, the note issue might be retransferred to the treasury by proclamation of the Governor General.

With a view to enabling the Commonwealth Bank to act as a proper central bank of note issue controlling the credit resources of the country and the economic policy of the other banks, the government proposed in July, 1924, an amendment to the Commonwealth Bank Act which was passed on August 20 and came into force on October 10, 1924.

Under the new law the bank is to be managed by a board of directors consisting of the governor of the bank, the secretary to the Commonwealth treasury and six other persons, who are or have been actively engaged in agriculture, commerce, finance or industry. All the members of the board are to be appointed by the Governor General of the commonwealth for seven years. Reappointment at the end of the term is permitted. In addition there is a London board of advice consisting of three members appointed by the Governor General for four years and eligible for reappointment. A director or officer of any banking business may not be a member of either board. The special "Notes Board" is abolished and its functions are assumed by the board of directors.

[Mr. Woodsworth.]

Mr. McGIBBON: What application has the Federal Reserve Bank to my hon. friend's argument?

Mr. WOODSWORTH: I think I shall have to leave that for the moment. I should like to—

Mr. KAISER: We are wondering where the hon. member sees a comparison between the United States federal banking system and what he has termed in this resolution a national banking system for Canada.

Mr. WOODSWORTH: I do not know that it is necessary for me to recapitulate what I have been trying to say for the last hour. I am suggesting that we ought to have a central bank such as exists in most countries, the functions of which in this country are assumed largely by a small group of chartered banks—a bank that will be given the exclusive authority of note issue and of rediscounting. As an example of a central bank I have instanced the Federal Reserve Bank, which true does not comply exactly with what I think we should adopt to the best advantage, and I have also just been instancing the Commonwealth Bank of Australia.

Mr. McGIBBON: Is a federal reserve bank not simply a bank of rediscount?

Mr. WOODSWORTH: Yes, and it issues currency. Just before I close, let me give one more quotation to illustrate the advances that have been made in Australia through its Commonwealth Bank. I quote this paragraph from the Official Year Book of 1925:

As the initial expenses of the bank were heavy, the early operations resulted in a small loss, but with the increasing prosperity of the institution the early deficit was gradually reduced, until on 30th June, 1915, it was entirely extinguished. The following table shows the aggregate net profiits from the initiation of the bank to the end of each of the last five financial years.

I would ask the permission of the House to place this table on Hansard. The table is as follows:

Commonwealth Bank—Aggregate profits, 1920 to 1924

	Aggregate net profits to date		
Date	General bank	Savings bank	Total
30th June, 1920..	£2,426,067	£330,038	£2,756,105
30th June, 1921..	3,082,249	369,116	3,451,365
30th June, 1922..	3,577,317	424,342	4,001,659
30th June, 1923..	3,869,219	534,768	4,403,987
30th June, 1924..	3,964,620	690,053	4,654,673

In accordance with the provisions of section 30 of the Bank Act and section 9 (2) of the National Debt Sinking Fund Act, half of the net profits of the bank have been placed to the credit of the bank's reserve fund and half to the credit of the National Debt Sinking Fund.

Mr. WHITE (Mount Royal): Will the hon. gentleman state how the resources of the Commonwealth Bank are invested, that is to say, what percentage is invested in ordinary commercial loans?

Mr. WOODSWORTH: The investments are not in ordinary commercial loans, although during the war various producers' organizations were financed by the bank. With regard to the details I would refer the hon. gentleman to this memorandum, in which the whole matter is dealt with very exhaustively.

Mr. CAHAN: Will the hon. member identify the memorandum so that we can find it in the library?

Mr. WOODSWORTH: League of Nations Memorandum on Currency and Central Banks, 1913-14, published at Geneva, 1925, to be found in the Library of Parliament.

I do not intend to make any plea whatever for the various suggestions which I have advanced. I know there are other gentlemen from the west and, I think, some from the east as well who are ready to take part in this debate. I wish simply to suggest that since other countries are moving along these lines and are finding success in various directions, there is no earthly reason why we in Canada should still be held in bondage to the old idea that we have a banking system which is the last word in the financial arrangements of the world. I know this is too great a subject to be disposed of in one debate. My hope is that the Minister of Finance (Mr. Robb) will see his way to refer this matter to the committee on Banking and Commerce, where we shall have an opportunity for much fuller discussion. I am sure the committee after consideration could bring in recommendations which would be much more valuable than those I have tried to lay before the House.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I take great pleasure in supporting the resolution that is before the House. This is the fifth year, to my knowledge, that this all-important subject has been brought before the House and discussed very extensively. It is pleasing indeed to me to find that each year hon. members are taking a greater interest in it, the reason no doubt being that the subject has become one of some moment from one end of the country to the other.

The hon. member who introduced the resolution read one passed by a very large organization in Saskatchewan. I have in my hand a resolution passed by a similar organization in Alberta. It reads:

> Whereas, it is desirable to secure decentralization in the private control of credit, and to this end smaller banks should be established, and
>
> Whereas, all currency should be issued by the government in the interest of the public, and
>
> Whereas, these and other desirable objects can be best achieved through the creation of a central bank;
>
> Resolved, that this convention recommend that suitable steps be taken to establish and put into operation a central bank for Canada, and to provide that the policy of this bank may be controlled by, and in the interests of the people of Canada.

I understand that there is an organization called the Monetary Reform League in the city of Toronto, and that several eminent men who live in the city of Montreal are also lecturing on the subject. So we see that each year the subject is becoming more and more discussed, and it is only right that it should be brought before this House for discussion so that in time we may expect to have legislation passed with regard to it.

The hon. member who introduced the resolution said that the medium of exchange had made various changes from the time of barter, developing into coinage and then into notes, and later on very largely into what we call cheque money, based on credit, created as the result of security being lodged, with the banks, and used in 96 per cent of the cases in Canada—to facilitate the transfer of goods from the producer to the consumer. This is very well set out by Professor Soddy of Oxford University, who outlines the situation in the following words, which are endorsed by the Right Hon. Reginald McKenna and Major C. H. Douglas of London, England:

> Another and most important fact to be emphasized, is that virtually all the money in the hands (or banking accounts) of the community originally came into existence in the form of loans from the banking system. It can come from nowhere else, nor otherwise than as loans. This fact, which reverses all the old concepts of loans as money taken out of pre-existing deposits, is demonstrated fully in Major Douglas's works, and, in fact, has since been endorsed by Mr. McKenna, the chairman of the Midland Bank. The order of procedure is as follows:
>
> (1) Money is printed or written into existence by the banks:
>
> (2) It enters circulation as a loan to somebody:
>
> (3) It is then spent, and then becomes a "deposit" in the name of the receiver.

As loans are repaid a similar amount of deposits must be cancelled. It has been mentioned this afternoon that during the last twenty years or so there has been a vast absorption of various banks in this country until the thirty-four institutions which we had twenty-three years ago have been reduced to eleven. Of these eleven all except one, a small concern, have their head office in Montreal or in Toronto. This is not in the best interests of the Dominion. We have seen what absentee landlordism did for many years in Ireland, and we are witnessing what

absentee financialism is doing for Canada. We find that the far eastern section of this country and the great west have suffered very largely from stagnation of business owing to this centralization of the control of credit. It would not be so bad if those who are interested in banking institutions were not also interested in other business, but unfortunately for the business welfare of Canada we find that apart from the officials of the bank, those who control these institutions—the directors—are interested in all of the country's industries except possibly agriculture, which I may say they certainly control. That being so, it can readily be seen that where there are interlocking directorates between the banks and other business concerns it is quite simple and easy as well as natural for the banks to feed certain businesses with credit while they starve others in which they are not so closely associated. I have before me a chart showing the names of fifteen directors of banks, and so on, who are interlocked in sixteen corporations. This chart was placed before the House in 1922 by the then member for Brome. The businesses of these corporations include insurance, banking, implement manufacturing, textile, railways, light, heat and power companies, water-power, paper and cotton, and in all they control investments to the extent of $4,285,000,000.

The branch bank system has given a good deal of satisfaction in small, thickly settled countries such as Great Britain, but I have to admit that in Canada, with its vast territories and its thin population, the system has been a failure. You need, however, only compare the United States and Canada, one with a banking system providing for branches to meet local interests and the other with our highly centralized system, to see how great a development has taken place on the one hand and what stagnation there has been on the other. Banks are just commercial concerns like any other business. They are out for profit. That is their business and naturally they do not want competition. It is perfectly natural, also, that if individuals desire to get together and start any business of the type in which the various directors of these banks happen to be interested, it would be the part of wisdom, from the point of view of these directors, to prohibit credit being given to these pioneers. And that is being done every day. That is one of the main reasons why we claim it is unfair that the control of the major portion of the private credit of the country should be in the hands of private financial institutions. This control of credit is in my opinion by far the greatest power that exists, for governments themselves have not been exempt from its influence. I will say further that there is not a man, there is not a member here, who can call himself free if he is indebted to these institutions. Whatever his security may be, if he has to go to a bank to get a line of credit on their terms, credit which can be cancelled any time they choose, then he is not a free man.

The second clause of the resolution I read calls for a monopoly of the issues of currency by the government as outlined by the hon. member who has moved the motion. Other countries have decided to monopolize the issue of currency through government control, but Canada is backward in this respect. I will not go into the details of this question inasmuch as the speaker who preceded me dealt with it fully. Private banking institutions in Canada—and they are the only type of banks we have here—are the only concerns I know of which as soon as they get their charter have the right to double their assets by the simple process of printing paper. They are the only people I know of who have the great privilege of charging interest on their debts. To put it another way, when they take a note, or a bill, or "a promise to pay," which is a debt, and pass it across the counter to the public, interest is charged thereon. Now, why should not this privilege be retained by the government itself, and the resultant profit devoted to lessening the burden of taxation?

I have before me some rather interesting figures with regard to our note issues. I will give only those for the month of January, 1926. The information is taken from the Canada Gazette of February 13, 1926. Dominion notes then in circulation amounted to $214,058,885, but of this total I find that the huge sum of $177,675,000 represented "legals"—notes of large denomination used between the banks. This leaves a balance of only $36,383,885, representing the note issue used by the public.

Mr. GARLAND (Bow River): Will the hon. member give the quantity of gold behind that issue?

Mr. SPENCER: I shall be very glad to do so in a moment. With regard to the relative stability of a government bank and a private bank, there is no comparison in case of a financial panic due to war or other crisis. We know perfectly well that the private bank cannot withstand a run on it by the public, such as occurred in 1914. On the other hand a government bank has the prerogative of issuing notes which are legal tender, based on the assets of the whole country, and therefore it could meet all emergencies.

Mr. CAHAN: Was not the greatest run in history made on the Reich Bank of Germany, and did it not issue notes in such profusion that at last they were worthless?

Mr. SPENCER: So long as a bank issues notes only to the amount of the deposits placed with it, those notes, will be perfectly good.

Mr. CAHAN: Then you must impose a limit, and the moment you do so do you not restrict the bank's operations?

Mr. SPENCER: Any bank can be called upon to pay in gold the last dollar deposited with it. That is impossible under our present banking system, because our chartered banks have not the wherewithal to pay their depositors in gold.

The question will probably be asked: What about the gold basis? I am not going to spend much time on that, except to quote a well known writer on financial reform. I refer to Mr. Arthur Kitson, who is chairman of the Banking Reform League of Great Britain. He has written many books on the subject. He is also a manufacturer in a very large way in both Great Britain and United States. Writing to the London Clarion on November 27, 1914, he said:

> Our bank rate jumped to 10 per cent in one day—higher than it has been in France, Germany or Austria just before or since the war. Every bank suspended payment, the gold basis collapsed, and, but for the common sense of the Chancellor in supporting the banks with the national credit—

I ask the House to note that, because we did the same thing and saved our banks at that time.

> —the whole financial and industrial structure would have come tumbling down in the mire. Possibly we may to-day be able to create some public interest where we have hitherto failed; at any rate, it is well worth the effort. The lesson to drive into the heads of the community from what has happened is the fact that the so-called gold basis is a delusion and a snare —a legalized fraud, used to enable the financial classes to control and tax the industrial classes.

In my opinion that information is just as important, if not more important, to the great manufacturing interests as to those toiling with their hands. For the benefit of the hon. member who sits near me and asked me a question a few moments ago (Mr. Garland) I would point out that according to the Canada Gazette of February 13, 1926, gold held by the Dominion in January, 1926, amounted to $127,380,217; and according to the Canada Gazette of March 13, 1926, gold held by our banks in the same month of January amounted to $43,154,000, or a total of $170,534,217. This reserve of gold was held against notes and financial credits to the tune of $2,827,488,885—or a deficit in gold of $2,656,954,668.

Mr. CAHAN: Does the hon. gentleman even in the wildest flight of his fancy suggest that those are the only gold assets available?

Mr. SPENCER: I should like to know what other gold assets there are.

Mr. CAHAN: As to the chartered banks, take the entire loans in New York, for instance, callable within twenty-four hours and payable in gold.

Mr. SPEAKER: Order.

Mr. SPENCER: I do not think that answers the question. I am sorry, Mr. Speaker, that the day is so short for this all-important subject. I have discussed it somewhat rapidly, and as I know other hon. members want to take part in the debate, I will conclude by saying that I shall be very glad to give my hearty support to the resolution before the House.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, the resolution now before the House carries an implication that I should not like to go out to the world. In saying that I believe I voice the opinion of every hon. member, even that of the mover himself. He implies that Canada has not now a national banking system. I submit, Mr. Speaker, that we have a national banking system, that it is a good system, and that it meets the requirements of the country. As every hon. member knows, we are on a gold basis, and to-day our money is as good as the money of any other country. Indeed, only a few days ago the Canadian dollar was quoted at a premium in New York. The bank notes of any bank in Canada pass at par in any of our provinces, so I say we have a good banking system.

To those who were in the last parliament the question introduced and discussed to-day by the hon. member for Winnipeg North Centre (Mr. Woodsworth) is not a new one. This question was debated at considerable length in 1923 and again in 1924, not only in this chamber but also before the Banking and Commerce committee. Experienced bankers, both Canadian and those from other countries, were brought before the Banking and Commerce committee to give evidence, and I propose to place on record very briefly the opinions of some of those gentlemen. I have in mind Sir Frederick Williams-Taylor, general manager of the Bank of Montreal. I have never met a banker, either from Canada, the United States or the Mother Country, who has not acknowledged that Sir Frederick

Williams-Taylor is recognized as a good banker who understands well the systems of banking not only in our country but in the other countries of the world. The opinions of Sir Frederick Williams-Taylor will be found, if any hon. gentleman desires to look them up, at page 297 of the proceedings of the investigation of 1923. His opinion was that the system as it exists now in Canada meets our requirements and is very much better suited to those requirements than would be the federal reserve bank system of the United States.

That view was also shared by another eminent banker, Sir John Aird, who is not only a good banker with considerable experience, but is also generally recognized as an economist, and a gentleman with wide experience in the business, commercial and industrial life of Canada. No man understands better than does Sir John Aird the requirements of Canada, both for the moving of the crops and the providing of money for the carrying on of our industrial affairs. If hon. gentlemen will refer to page 363 of the report of the 1923 proceedings the evidence of Sir John Aird will be found.

We had before that committee still another gentleman, who is recognized as an economist and a man supposed to pronounce the views of western Canada upon this question. I refer to Professor Swanson of the University of Saskatchewan. Professor Swanson was more interested, I believe, in sound economics than in helping any theories. His evidence is found at pages 783 and 784, and I am going to quote it, because I propose in a few moments to accept a suggestion made by my hon. friend. Professor Swanson also thought that the banking system of Canada was quite suited to our requirements.

Mr. SPENCER: Is the minister aware that Professor Swanson criticized the gold basis some years ago, before an open convention in Calgary, as readily as have some of the hon. members of the House to-day?

Mr. ROBB: I am not sure about that, but I find that on page 778 of the 1923 proceedings Professor Swanson said:

> I think we ought to make a very careful detailed and comprehensive study of the American system and exactly the results that have been secured therefrom before we make such an experiment in Canada.

Then later on, at page 784:

> I do not think it is required in Canada. Our banks have the resources right now. It is not the case that we have not the money. No federal reserve scheme superimposed on our banks could increase the credit to a much greater degree than the banks can increase their credit right now. When a bank says it is not able to extend its loan in an individual case, often it is because the security or the character of the borrower, either one or the other, is not up to par.

That was his opinion, expressed before that committee in 1923. But the Banking and Commerce committee, not satisfied with the evidence of Canadian bankers and economists, called before them a gentleman who is a recognized authority in the United States—Mr. John W. Pole, chief national bank examiner of the United States. Mr. Pole's evidence can be found at page 136 of the 1924 proceedings of that committee. I am not going to tire the House any more than to read the following:

> The federal reserve system is admirably adapted to the unit system of banking, but for a very small number of banks with a large number of branches to attempt to adjust themselves so as to fit into such a scheme would appear to be highly impracticable.

That is the opinion of Mr. Pole, and he continues:

> Under the provisions of the Finance Act it seems to be quite possible for any bank in Canada whose assets would be of such liquid character as to enable it to take advantage of any facilities offered by the reserve system, to avail itself of equal opportunity offered by the Finance Act, the operation of which is easy and inexpensive and, judging from the manner in which it has been functioning, effective.

It is upon evidence such as this that I submit to the House that we should not allow the idea to go out that Canada has not a good banking system, and one which is suited to the needs of our country.

The hon. member for Winnipeg North Centre referred to the Finance Act. For the information of the House it may be interesting to know to just what extent the Finance Act is required by the banks. I will place on Hansard a few figures to show the use of the Finance Act and to prove that it is not very much needed under our present banking system. The following table shows the maximum advances under the Finance Act in each of the years from 1918 to 1925 inclusive:

1918	$116,500,000 00
1919	112,957,000 00
1920	123,689,025 00
1921	108,707,960 75

Then we come to 1922, and I ask hon. gentlemen to notice the drop:

1922	$60,619,769 74
1923	40,020,000 00
1924	37,800,000 00
1925	30,400,000 00

According to the bank return of January 30, 1926, the advances totalled only $9,000,000, and that was during a period when there was some movement of crops.

Now, Sir, I do not wish to detain the House at any length, because I understand there are other speakers.

Mr. COOTE: I would like to ask the minister if he has the Finance Act at hand, and if he would be good enough to tell the House the class of securities on which money may be advanced.

Mr. ROBB: I have not the Finance Act at hand, so I cannot give that information to my hon. friend, but he will understand from the figures just given that there has been no restraint in the banking facilities offered. The banks, we may suppose, had just as good security in 1924 and 1925 as in 1918, and had they required the money they would have got it, and at a lower rate of interest than they got in 1918. I will admit at once that the banking situation in Canada to-day gives less worry, at all events, to the Finance Minister and to the government, than it did in the years 1921, 1922 and 1923. The banks in Canada are in pretty good shape to-day, and we have improved the system to a degree by the introduction of the inspection system.

I am not one who objects at all to securing all the information that we can get brought before us in the Banking and Commerce committee. I admit at once that the information brought before the government and before the members in the last parliament enabled us to improve very considerably upon the inspection system of the banks, to the good, I believe, of all Canada, and for that reason, Mr. Speaker, I am willing to accept the suggestion which I understand the hon. member for Winnipeg North Centre (Mr. Woodsworth) has made, that this question be referred for study to the Banking and Commerce committee. I would like however to make this reservation: I appeal to my hon. friends who have given study to this matter and who have advanced these ideas, I appeal also to every member of the Banking and Commerce committee, that in bringing witnesses before that commitee they do not pay heavy travelling expenses to bring some person before them who knows nothing about the matter, or some person outside the country. I do not object to bringing gentlemen before the committee who are able to give us information that will be of any value, but as to our paying heavy travelling expenses for men who have simply theories to advance, and who come possibly from a long distance and have heavy accounts, I submit that the Banking and Commerce committee might very well pass upon that, and help the Finance Minister to keep down expenses. With that reservation, I accept the suggestion that this question be referred for further study to the Banking and Commerce committee.

Hon. R. J. MANION (Fort William): I do not intend to take up much of the time of the House in dealing with this question. I may say at the beginning that I have no brief whatever for the banks as they exist in Canada to-day. Like most professional men, I make my deposits, draw my cheques, and once in a while have the good luck to be able to borrow some money from the banks.

Mr. ROBB: Lucky man!

Mr. MANION: Generally speaking, at the basis of all resolutions of this kind, there is a suggestion, it seems to me, that the ordinary credit facilities of our banking system are not adequate for the needs of the country. That probably is correct in some special lines of credit, such perhaps as might be dealt with by the rural credits scheme, or something of that sort, but on the whole I think that one of the greatest curses of Canada in the past, in some periods at all events, has been the giving of too much credit. I well remember, for example, that between 1910 and 1912 in the western country, from the head of the lakes clear through to Vancouver, there was so much credit, and thoughtless credit, issued by the banks, almost anybody being able to borrow five or ten thousand dollars to invest in real estate, that as a consequence we had a real estate boom which ruined nearly all the people through the west, and did actually ruin very, very many of them.

5 p.m.

Mr. CAMPBELL: Does not the very condition the hon. member speaks of show something wrong with the system?

Mr. MANION: I am not going to defend the present banking system at all. I do not suggest that it is perfect or anything of that sort; on the contrary, I think there is plenty of room probably for improvement in the system, but I was simply discussing credit.

I am not going to discuss banking, the gold standard, or the different types of money. In fact, and I say this without any reflection on my hon. friend, I have the idea that a debate of this sort is absolutely useless in the House at the present time. The very fact that during this debate there is a very small attendance in the House shows that certainly the idea is not accepted by the House generally that any great change from the system of private banking to national banking is necessary

The Minister of Finance, who has just sat down, says he has no objection to this question being referred to the Banking and Commerce committee. Neither have I, but I have objection, which the Finance Minister apparently has not, to this question being investigated again now after we have just had two years of the same type of investigation. I do not see any reason why at the present time the people of Canada should be saddled with the expense of bringing before the Banking and Commerce committee, from a long distance, and at heavy expense, witnesses who in very many cases have nothing but a superficial, theoretic knowledge of banking, or of any other problem I have heard many of them discuss, simply to expound in many cases futile theories. I well remember a couple of years ago a witness who was brought before that committee, at great expense, whose theories were so thick that nobody could understand them at all, and I do not think even he had any idea of what they meant himself.

What I am opposing is the nationalization of banking. I am not upholding the banking system as it exists in Canada to-day, nor saying that it cannot be improved; I willingly admit it can, but I am opposing the idea of nationalization of our banking system, or, for the matter of that, the nationalization of anything else that we have not already nationalized in this country. The function of government is to govern, not to trade, whether the trade is in money or in goods of any kind. I think we have too much government at the present time. We are continually passing legislation much of which is useless. Somebody is continually proposing that we should nationalize this or that. My good friend who has moved this resolution (Mr. Woodsworth) has another resolution on the order paper to nationalize coal mines. I have no doubt that if we nationalized the banks, and then the coal mines, my good friend from Winnipeg North Centre would go on nationalizing until finally he had nationalized every line of endeavour in this country. Russia tried that; in fact they did it, and they made a pretty rotten mess of the whole job, so far as we are able to find out. There are certain lines of endeavour which a government alone can properly handle —the mails for instance, hygienic and sanitary questions, the supplying of cities and towns with a safe water supply, and other lines of endeavour of that nature affecting the whole community of a city or province or the citizens of the whole country, and which can be properly dealt with only by a government. But there are other lines of endeavour which should be left to private initiative. Most of us believe, and I am sure the hon. member for Winnipeg North Centre will agree with this, that practically everything that is done by governments is done more extravagantly than if the same service were performed by a private corporation. That is true, I believe, from a municipal, provincial, and Dominion standpoint—

Mr. HEAPS: Does the hon. member apply that to the hydro-electric enterprise in this country?

Mr. MANION: I probably would have said the same of that enterprise if I had been asked before the thing was done, but that is now done.

Mr. HEAPS: The hon. member stated that governments are more extravagant than private concerns, and I was asking whether that was true in regard to the development of electrical energy under public ownership and private enterprise.

Mr. MANION: I have no doubt whatever that the building of hydro-electric plants under public ownership has cost very much more than if those same plants had been built under private ownership. I have no doubt of it whatever, and I could give instances to prove it.

Mr. HEAPS: Do not the people of Ontario pay much less for their energy, under public ownership, than do the people of Quebec, where the enterprise is under private ownership?

Mr. MANION: That is not the question my hon. friend asked before. He asked me if it cost more to develop the hydro-electric enterprise under public ownership than it would have under private ownership, and I answered that question. However, I am not criticizing the hydro-electric development which has taken place in Ontario. What I am maintaining is that we have enough nationalization at the present time and until we can get out of some of the difficulties we are in, we should do no more, and even then I will have to be shown some good and plain reason for nationalizing anything further.

Mr. HEAPS: Does not the mess which the hon. gentleman has referred to arise out of the failure of private ownership?

Mr. MANION: What mess is that?

Mr. HEAPS: In regard to the National Railways?

Mr. MANION: No, it did not arise out of the failure of private ownership. It arose partly out of that, but mainly out of the overbuilding of railways on the part of the government.

I do not wish to enter into a discussion of the railway situation or of the hydro-electric question, but I repeat that we have nationalized enough things in this country—surely the railway situation is proof enough of that—without wishing to nationalize the banking system.

Not only is a government more extravagant in construction and operation, but as a rule the efficiency is not so good in any nationally-operated enterprise as in private operation. In England the telephone and the telegraph were at one time in the hands of private companies, but were taken over by the government, with the result that the government is out millions of dollars annually on the operation of the system and the service is not nearly so good. I have observed the same thing in other parts of the world. I have travelled on the Italian railways, and if there are any worse railways in the world I do not know where they could possibly be found. The French government railways are in nearly as bad a condition. The Australian railways, I am told, though I have not travelled on them, are operated by the government, and they have gone so far as to have different gauges; so that in the middle of the night you have to get off one sleeping car and get into another, because the gauges of the roads are different. The operation has not been satisfactory there. There has been only one line of publicly-operated railway in the world which has really given satisfaction—those in Germany. I have travelled on the trains in that country myself, and they were very satisfactory. But the Germans are a different people from the English speaking and the French speaking people in the countries in which we live. The German people are apparently willing to be governed by bureaucrats. They are willing to be docile enough to permit the higher officers to compel them to do as they wish. I remember well a thing that struck me on the German railways, in fact you will find it all over Germany, and that was that the word "verboten" which means forbidden was written all over the walls in the public places and on the railway trains. The German people are willing to be forbidden to do anything which the bureaucrats desire to forbid. The Anglo-Saxon people of England and of Canada are not satisfied to be forbidden to do this, that and the other. In thinking the matter over, I came to the conclusion that the German railways, though government owned, made a success, in contradistinction to the railways of the other countries, because of the national characteristics of the German people.

Another reason why I object to the nationalization of enterprises is that it leads to business methods being replaced by favouritism and politics. It has been suggested that some political friends would be favoured. I think the hon. gentleman from St. Lawrence-St. George (Mr. Cahan) made the suggestion that if the government was in control of the banking system favouritism would be shown. I have no doubt that statement is absolutely correct, whether it be a Conservative, Liberal, or even a Progressive government. I have an idea that if my Progressive friends controlled the banking system they would give all the money to the farmers of the prairie provinces.

Mr. COOTE: Would the hon. member insinuate that, in the administration of the Finance Act, in regard to the loans referred to a few minutes ago by the Finance Minister, there has been any favouritism shown to one bank or another because of the politics of the bank?

Mr. MANION: I do not know. I have never been Finance Minister. The Finance Minister could probably answer that question, but I cannot. If there was opportunity for a government to favour one bank more than another, and a particular bank was friendly to them, I have no doubt they would favour it. I think that is true of all governments. Governments are made up of human beings, they are naturally going to favour their friends and generally speaking they are pretty nearly right in favouring them, but I do not wish to put the whole banking system of this country into the hands of any government, whether it be the party sitting on this side of the House or the Liberal party on the other side of the House. I should not care to put the banking system into their hands and allow them to favour their friends by giving loans to those to whom they chose to give them. I consider if you go on nationalizing enterprises you take away the personal incentive and initiative needed to build up the country. Not only that, but you paralyse to a certain extent private enterprise, which after all, under our present system—although it can be improved in many ways—is the stimulus which makes the wheels of industry go round and tends to make the country prosper.

Mr. WOODSWORTH: How much private enterprise is possible in a financial world to-day where ten banks control the whole situation?

Mr. MANION: If there is no private enterprise possible when ten banks control the banking system, how much enterprise is possible when one government controls it? It would be just one-tenth of that amount. A logical argument was put up by one of my hon. friends behind me, who asked if it was not a monopoly to hand the banking system over to the government. Certainly it would be a monopoly. It is not a monopoly to-day. We have ten different banking systems all competing with each other.

Mr. WOODSWORTH: One system.

Mr. MANION: Ten different organizations, ten competitors competing with each other for the business of the country, and they do compete. Any man who has dealings with the banks knows that sometimes he will be refused credit by one bank and receive credit from another, in order possibly to get his business. So that there is competition. There would be no competition if the government obtained control of it, except the competition between the government's friends and the government's enemies.

Mr. SPENCER: Would it not be just as fair to say that the government-owned railway might refuse to carry people not friendly to them?

Mr. MANION: No, but all government railways carry a lot of people they should not carry. I have noticed that. I have been struck very often by the number of deadheads, including myself, on the government trains.

Mr. DUNNING: Is the hon. member suggesting that the railway companies break the law?

Mr. MANION: I do not know whether they break the law or not but the Minister of Railways will have a good opportunity to look into that, and I feel sure, judging from the thoroughness and thrift which was shown by that great Saskatchewan political machine of his, he will be able to clean up any irregularity in that respect.

Mr. DUNNING: I was not trying to invite any partisan discussion, but the hon. member was speaking of the railways and the methods they adopted in regard to transportation, and I really think the statement he made which might carry the inference that they are not complying with the provisions of the law should be withdrawn, or information given with regard to it.

Mr. MANION: I would advise my hon. friend to look into the matter.

Mr. DUNNING: I am glad my hon. friend has withdrawn the inference.

Mr. MANION: I did not withdraw anything. My hon. friend from Regina (Mr. Dunning) does not seem to know whether I was speaking of the past or the present, and I did not say whether I was referring to the past or present events; but as a matter of fact I was speaking of the past. However that is another issue and I do not want to be dragged into a discussion of it. But I know—and I repeat to the Minister of Railways—that there are people carried on government railways as well, perhaps, as private railways who have no right to that privilege. It is, however, up to the Minister of Railways to look into that.

Doubtless there are weaknesses in our present banking system. I will admit that; I am not defending the banks at all; I am not going even so far as the Minister of Finance (Mr. Robb) did in defending them. I think we can improve them by controlling them, by seeing that they serve the people as they should. For example, the rural credit scheme which, I believe, is to be put into force this year, although the legislation has not been brought down yet, is for the purpose of implementing the work of the banks.

I have noticed that those governments are, generally speaking, the most efficient which undertake the least. The more you hand over to a government to handle, the less likely you are to get efficient government. We have at the present time governmental problems enough without handing them over the whole banking system of the country. We have, indeed, a national railway problem which is perhaps the greatest problem we have in Canada to-day, and I am sure the energies of my good friend the Minister of Railways will be well taken up if he is to get us out of the muddle into which the people and governments of the past have got us in the National railway system.

I did not wish to take up so much time, but my friends as usual made half my speech for me. I submit, in closing, that by government control, that is by suitable legislation put upon the banks, we can improve the banking system of Canada. But I object to any more government ownership or government management than we have at present.

We have enough government ownership in other matters to manage without taking over the banks of this country and attempting to manage them. I would agree, therefore, with the Minister of Finance that this resolution might be sent to the Banking and Commerce committee to play with it if they will, but I object to any expense being incurred by the people of this country in bringing witnesses before that committee. That would be my attitude and I would be very much disappointed if the House did endorse the motion of my hon. friend.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, we must feel that a considerable step forward has been made by protagonists of changes or reforms in the banking system when we find that both the Minister of Finance and the hon. member for Fort William (Mr. Manion) are now willing to discuss this question before the Banking and Commerce committee. I have in mind the debate that took place last year, and may I say at this point that although this question has been discussed by this House for three years and discussed in the Banking and Commerce committee during one year, it has never yet been made a specific question for discussion and recommendation by any committee of this House or by the House itself.

The time has now come, I believe, when a suggestion such as has been offered by the hon. member for Winnipeg North Centre (Mr. Woodsworth) should meet with the approval of the House, and an examination of a possible alteration or evolution of the system that now exists should take place with a view to improving that system. Like the hon. member for Fort William, I am not going at this moment to advocate any theoretical, revolutionary modifications or changes in our system, but I am going to urge that something should be done to coordinate several of the different branches of the present system into one central force, with perhaps certain effects which I will deal with later.

Last year the Banking and Commerce committee, appointed to discuss rural credits and some other matters, decided that there ought to come within its scope the question of a national bank or central bank or bank of rediscount, and so that committee, in spite of the opposition of its chairman, recommended to the House that the scope of the committee should be widened to include that question. That recommendation was carried by the committee and sent forward to the House on May 21. Unfortunately, owing to processes of which I know not and influences that have never been explained, that report was not presented to the House for discussion until July 2, a short time prior to prorogation, with the result that although a debate took place, the resolution widening the scope of the committee and allowing this investigation was voted down. On that occasion, however, the Minister of Finance took exception to the scope of the committee being widened for a discussion of this question. He did so on two grounds; first, that the Finance Act now provided rediscount facilities as they were required by the present system and supplied an elastic currency which would satisfy every need for credits in this country. The second objection he took was, of course, on the orthodox ground that you must not interfere with the revision of the Bank Act that had taken place for ten years and that we should let it go at that. That ground was taken by my hon. friends to my right, with the exception of the hon. member for Vancouver South (Mr. Ladner), who has always been a strong supporter of centralizing the various banking functions that exist to-day.

Perhaps I had better approach this question by making one or two fairly general statements. First of all, that there is something wrong not alone in this country, but in most countries in connection with the financial system must be apparent to anyone who will study the question. Let us note that during the whole history of nations, so far as I have been able to study them, there has been only one period in Canada and one in Great Britain since the Napoleonic wars during which the whole productive capacity of the nation was used to its limit. That was during the past war. We ask ourselves why. The explanation is at once forthcoming when we study the changes that took place instantaneously both in this country and in Great Britain at the outbreak of the war—it took place also in other countries, but I do not wish to refer to them—which placed beneath the whole banking structure all the public credit, all the power of public credit; placed it definitely under a private banking structure and so gave it that great power of credit inflation which enabled the peak production to be reached without any difficulty. There was no unemployment; there were no wretched conditions either in Great Britain or in this country during that otherwise wretched period. After that war was over we found that the interests that prior to then had controlled currency, coinage, everything in the way of credit, decided to contract that credit and to reassert their previous domination. They did that by a process of violent

deflation, of forced contraction of credit, with the result that during the period 1920 to 1921 there was an increase in private debt, agricultural, municipal, provincial and even federal debt, to the extent of about 100 per cent. In other words, our debts, national and provincial, were doubled in that period. That matter has been discussed at least temporarily by the committee, and I do not wish to dwell further upon it, except to say that it is almost hopeless to expect that in a House of this kind or in any House, even out in the country, we can get the great bulk of the people at this moment to accept any reform which may yet in itself be for their benefit. They are not ready for it. The best we can hope to do in the meantime, therefore, is to educate them, to point out certain truths that exist, and to get the people to apply them to present conditions. Imagine if you will that here we have bootless sons of unemployed shoemakers! Did you ever hear of anything so utterly absurd? You have a nation like Canada capable of vast expansion in productive enterprise, but our industries are working at low ebb. This is not due to any lack of protection by any means.

Mr. CAHAN: It is not due to lack of credit, either.

Mr. GARLAND (Bow River): Our men, too, are unemployed, and this again is due to no lack of protection. We have had a vast army of unemployed for years and we shall unfortunately continue to have them under a system which can, by the creation of credit or the contraction of it, decrease or increase prices and decrease or increase manufacturing output. That great power should not rest with private individuals who use it for private gain. I am simply stating fair, honest facts. The power of contraction or of expansion of credit should certainly not rest with private individuals for personal gain. It does so to-day, and that is the question before us for discussion. Hon. gentlemen may of course discuss the nationalization of railways or of mines, or any other question of that kind, but there is no parallel whatever between the nationalization of one particular capital asset and the nationalization of something that constitutes the whole social and state structure. Money power is at this moment the state itself, and without it no state can function. Men greater than I can ever aspire to be have so declared in unequivocal terms and no one has dared to contradict the statement, indeed no one can contradict it. These are general facts which are well known to all of us. If, instead of spending a good deal of our time and energy in the discussion of unimportant details, we tried to get into our heads one or two facts of real importance, then possibly we might get together and evolve some solution.

The Minister of Finance (Mr. Robb) said a moment ago that he was not going to accept the underlying principle of this motion because, forsooth, certain bankers had alleged that in their opinion there was no need for it, inasmuch as the present system could supply all our needs. May I remind him that these same great experts on banking assured us in 1923 that there was not a single banking institution in the country which was then in danger? They told us that bank inspection was unnecessary and, indeed, would be a bad thing. They went further: they were of the opinion that suitable conditions generally existed in banking. But they were wrong in all this. Why therefore should we now take their word in this matter especially when we remember that men in exactly the same position, the high protectionists, when asked whether or not they want more protection, say that they do. Of course they want it; it is to their interest to get protection . And of course the bankers want the present system perpetuated, for it is decidedly in their interests that it should continue. As the hon. member for Winnipeg North Centre has said, this sovereign right of the people, the right of note issue, which was delegated to private individuals by unwise persons in the past, should be restored to the state. It would take from the profits of the bankers of this country about six or seven million dollars a year, which surely is worth considering. This has been done in Australia and it can be done in Canada. Why should we place in the hands of private individuals the power not only of credit issue but of the control of industry—the power of issuing the very medium through which we exchange and buy goods?

How many hon. gentlemen have considered this fact, that no nation can afford to accept as a free gift any large quantity of necessary commodities from any other nation? Suppose some country owed us $5,000,000 or $6,000,000 and were ready to pay us at once in goods: what would be the first thing we should do? We should do exactly what they do in England, in France, in Belgium and what as a matter of fact we do in Canada: we should take steps at once to prevent the importation of those goods which they were anxious to give us for nothing . If we accepted them for nothing they would have to be stored in our warehouses and that would leave our men unemployed; there would not be the purchasing power in circulation to procure the goods. That leads us to the statement made by the Right Hon. Reginald McKenna as to

the nature of the solution. Now he is no extremist; he is no Bolshevist; he propagates no violent revolutionary theories such as my hon. friend from Fort William and others have referred to. He has been Chancellor of the British Exchequer, he is a man of immense mental capacity, and he has probably seen and done more in a financial way than any hon. gentleman who sits in this House. And what does he say? He declares that if you wish to get rid of unemployment you must first recognize clearly the steps that are to be taken. In order to consume the increased production that would result from the employment of people you must be prepared to issue enough purchasing power to buy those goods. That is the problem that is facing not only Canada but other countries at the moment. How can we put our people to work to make industry active and prosperous? We can do it only by returning to the workers sufficient purchasing power to buy back the goods they produce. If you can find any system that will do that, you will have accomplished probably a greater reform than has been brought about in centuries, possibly the greatest reform that the world has ever witnessed. It is worth considering, and the idea is not so insane as some hon. gentlemen suggest.

The present system in this country has up to now undoubtedly supplied our requirements within certain moderate bounds. It is not an ideal system by any means. Indeed, no system can be ideal which leaves to two such centres as Toronto and Montreal the final determination of the amount of credit that shall be extended to any community, or how much shall be given to any individual. Think of this vast Dominion, stretching from the Atlantic to the Pacific and from the Arctic to the boundary line, functioning under a system by which the credit reservoirs which are now situated in Montreal and Toronto can be and are filled by the power derived from deposits from the Yukon to Montana and from Vancouver to Halifax! That great power rests finally with this limited number of private individuals in these two centres, and it is used by them not for the public benefit but for private gain. These are points to be kept in mind. I say therefore that the present banking system is not the best that we might have, for the reason that it is a private system operated for individual profit and not for the good of the state. The inclination to monopoly in banking was evident fifty years ago and to-day it is realized in actual fact. In that period we have gradually contracted the number of our banks by amalgamations, by forced failures, and by other means until to-day we have but a very restricted number, which is still decreasing. Exactly the same process has gone on in Great Britain; there has been a steady contraction of the number of banks and a centralization of banking power in the hands of fewer and fewer individuals.

How many hon. gentlemen who have read the Bank Act realize that three men constituting a quorum on a board have the power to make unlimited loans to any individual, company or corporation, or even to any one of themselves, or to a company which may be really a director of the bank? We submitted a few years ago an amendment asking for a curtailment of that power. We asked that the unanimous consent of all the directors called at a special meeting should be given before the bank should have the right to give to any company controlled by a director a loan greater than ten per cent of its paid-up capital.

Mr. SPENCER: Was it not a majority of the directors?

Mr. GARLAND (Bow River): No, I think it was unanimous consent. I must say in fairness to him that the right hon. leader of the opposition (Mr. Meighen) supported us in that amendment; he was just as anxious as we were to see that this vast power which is still vested in these directors should be controlled. Now, when we recognize that fact we see the truth of every statement I have made previously about the vast control which rests in the hands of these private individuals.

There are further reasons why to-day the interest rates in this country are unquestionably bad; in western Canada they are exceedingly bad. They are not really governed by the law, for although the Bank Act says seven per cent is the maximum, the banks in western Canada cleverly get around that limitation on every occasion. Only the other day I received a renewal note for a small amount with the notification, "8 per cent before and after maturity." We tried to have inserted in the Bank Act a fixed legal rate of interest above which the banks could not go. That motion was defeated by the committee. Why, no good reason has ever been given. Why there should not be a limit to the amount of interest to be charged by a bank is something beyond my comprehension. There should be a legal limit. To-day there is really no limit; for although, as I say, the Bank Act contains a limitation of seven per cent, there is no penalty provided for any infraction of that limitation.

Mr. BURY: May I call the attention of the hon. member to this penalty—if he refuses to pay the bank will only get five per cent?

Mr. GARLAND (Bow River): Then he would have a mighty hard time when he went back to the bank for further credit.

Mr. BURY: Surely.

Mr. GARLAND (Bow River): The hon. gentleman perhaps knows that in western Canada the banks have adopted the practice of collecting the interest in advance—discounting in advance.

Mr. BURY: Surely.

Mr. GARLAND (Bow River): So the banks for private profit very cleverly use their power under this vast monopoly to defeat the intention and spirit of the act itself. Is that fair or right?

Mr. McMILLAN: That is what the banks try to do here, but we will not pay the interest in advance.

Mr. GARLAND (Bow River): There you see the spirit which is being developed as a result of this oppressive action by the banks. That spirit will grow more and more among business men and manufacturing interests as they feel the steadily growing pressure of this practice. The great industrialists are beginning to realize it. There was a time, you know, when the captains of industry—they were called capitalists—exercised great control over money and industry, but to-day that power has passed beyond them to a few men. Financial power, concentrated and tremendously effective, controls industry itself, and rapidly our business men are realizing that to-day. The interest rate is practically in the hands of the bankers themselves. It is wrong that that should be so. It is wrong that they should be charging to us in western Canada as high as ten per cent on renewal loans in bad years. Therefore I urge the establishment of some central co-ordinating agency which by competition would prevent any further exploitation of our people in that way. It has been completely successful in Australia, where the Commonwealth Bank has succeeded in reducing the general level of the rate of bank interest.

I simply cite these cases in passing, not urging upon the House, or the committee subsequently, the adoption of any one of these specific plans. I do not like the federal reserve system of the United States any more than other members here do. My chief objection to it is that, although it appears to be sound, it is a bankers' reserve system and is not for the people. There is no doubt that a central bank or some central co-ordinating agency, call it what you may, having the state's interest at heart will have a greater and wider outlook upon the prosperity and development of this country than have our chartered banks, and would be in a much better position to meet the necessary credit requirements in any district.

Let me ask hon. gentlemen this question In western Canada, particularly the province from which my distinguished friend from East Edmonton (Mr. Bury) comes, we have vast resources available for the development of industry; we have markets for that industry close at hand—we are close to the Pacific seaboard, we are close to the vast market along the western coast of America and in the Orient; we have right under our feet coal in tremendous quantities, we have petroleum, we have gas, we have wood. Why has industrial development not taken place out there to a greater extent? This question I know the hon. member for East Edmonton has asked himself repeatedly. It is natural he should do so. I also have pondered the question. Why has not industrial development been more rapid in those prairie provinces? There are just two reasons: one is, the recent industrial development of eastern Canada; the other is, the banking system of this country. These two factors with their interlocking directorates have resulted in the concentration in two provinces of the Dominion of the vast power of industry and the vast power of finance, with the result that just as soon as a little plant or manufacturing concern starts up in a place like Medicine Hat or Calgary or Edmonton, that industry if not absolutely natural to the district itself, and frequently even if it is, is quickly crushed out by the contraction of credit.

Now, Mr. Speaker, if there is one thing that offends my sense of justice more than another it is that those vast resources which are lying there available to the people of this country are to remain dormant, undeveloped, unprogressive, and we unprosperous, simply because of the concentrated control, under our branch bank system, of that vast power in Toronto and Montreal. The sooner we get away from that the better. The other day we had an excellent debate, and I congratulate hon. members from the Maritimes on their militant, logical and powerful arguments. But they perhaps overlooked this aspect of the matter; the Hon. F. B. McCurdy did not overlook it. The fact of the matter is that in the Maritime provinces just as in the west, their condition to-day is unquestionably very largely due to the fact that they are long-distance customers of our bankers. Let me quote from Mr. McCurdy's pamphlet:

When even the wealthiest banking customer in Nova Scotia to-day applies for a loan, even though fortified

by ample collateral, he is politely apprised that in the ordinary course of the bank's routine his application will be submitted for adjudication to an office several thousand miles away.

Now, is that not enough to arrest the development of any province? The same thing exactly obtains in western Canada. The branch bank managers in Nova Scotia, Prince Edward Island or New Brunswick have a certain discretionary limit, just as they have in the prairie provinces and British Columbia, a discretionary limit within the jurisdiction of gentlemen in Toronto and Montreal. I have a branch bank manager in my own little town, and two years ago he had a discretionary limit of $300. Could anything be more absurd?

Mr. STEWART (Leeds): Does not the hon. gentleman know that the same limit applies in Ontario?

Mr. GARLAND (Bow River): Yes, but you are in a different situation, you have the head office immediately at your hand; we have not. You have the personal contact of the head offices in Toronto and Montreal with the individual requirements of industry in Quebec and Ontario, but if you are separated by vast miles of rocks and Christmas trees as we are in the prairies, or by a vast stretch of territory as you are in the Maritimes, what is to be done with the situation? The fact of the matter is that the present branch bank system is successful in crushing out individual initiative—that very thing which the hon. member for Fort William spoke of—initiative of men who would gladly take up the banking business in districts like Nova Scotia, New Brunswick, Prince Edward Island and the western provinces. The sooner we recognize these facts the better it is going to be for the country.

The hour is getting late and I know the hon. member for St. Lawrence-St. George (Mr. Cahan) has something to say. I have many other arguments I could use, but I do not wish to inflict them all on the hon. member; I want to see him contribute his quota to the debate. But may I say this in conclusion? Should we in our wisdom reach the stage where we decide that some national banking institution is necessary, the question will at once arise in our minds, what about capital? I made inquiry the other day, and I find that we would have instantly available for the use of any national bank which might be established not only those privileges of note issue and other matters which are now exploited by the present system, but also some $97,710,189, made up as follows:

Post office savings bank deposits, 1924..	$24,330,486
Dominion government savings..	9,185,377
Other savings banks..	64,194,326

In addition to that there would be the provincial government business and that of the municipalities, which would make an enormous amount of business for such a bank.

In conclusion let me suggest that at present we have a Department of Finance which receives from the banks annual and semi-annual statements. These annual statements have not served any good purpose as yet. The Department of Finance was aware for eight years that the Home Bank, for example, was in an insolvent condition; they had reports to that effect, yet they took no action. Then we have a central gold reserve, which is under the direction of four trustees—and here again we see the control of the banks. One trustee is appointed by the government and the other three are appointed by the Canadian Bankers' Association. We then have the Finance Act, which was probably the most evolutionary and best development which has taken place in our banking system over a period of years. Unfortunately that act was brought in by a Conservative government in an entirely illegal manner. I think they were justified in so doing under those conditions, but the fact should be borne in mind that the very verboten, autocratic and bureaucratic methods condemned by the hon. member for Fort William were used most effectively by a minister of his own government. This is an act for the bankers only; it allows discount privileges to no one else, and should be amended. We will discuss that question, however, at greater length on a future occasion.

Then we have a treasury board, consisting of the five Privy Councillors, which for some time set an inflexible rate of interest of 5 per cent. A peculiar situation developed then, by which we were paying to the bankers 5½ per cent for the money we had borrowed, but we were lending them money at 5 per cent. That was an amazing situation which, I am glad to say, no longer exists. We have also a bankers' association, incorporated by the Dominion and possessing certain supervisory powers, and lastly that new institution whose functions have not yet been examined thoroughly and whose usefulness has not been properly determined, the Inspector of Banking.

My suggestion at this moment is that we should consider the grouping together of these separate functions under the control of a single commission or board, completely free from political influence. The board should be appointed for a number of years and should be enabled to hold office irrespective of what political party may be in power. If that suggestion is followed there is no danger of political interference in this most important matter. That method has been followed succesfully in Australia where, although there have been four changes of government, practically no change in policy has taken place. In the meantime it was found in Australia that the system did not lend itself to proper commercial loans, with the result that they have adopted the idea of the advisory board.

Let me in closing, Mr. Speaker, say that I hope the words of the late Mr. Woodrow Wilson, ex-president of the United States, will be borne in mind by hon. members in discussing this question. Writing in the New Freedom, after relinquishing the presidency, Woodrow Wilson said:

> Some of the biggest men in the United States, in the fields of commerce and manufacture, are afraid of somebody, are afraid of something. They know that there is a power somewhere so organized, so subtle, so watchful, so interlocked, so pervasive, that they had better not speak above their breath when they speak in condemnation. The "control of credit" has become dangerously centralized. It is the mere truth to say that the financial resources of this country are not at the command of those who do not submit to the dictation and domination of small groups of capitalists. The great monopoly in this country is the monopoly of "big credits."

Mr. C. H. CAHAN (St. Lawrence-St. George): At this late hour Mr. Speaker, as it is impossible for this motion to be voted upon, I will not press so strongly as I otherwise intended that the Minister of Finance (Mr. Robb) should not refer it under present conditions to the committee on Banking and Commerce. We have this session a number of very important measures coming before the House, to which we believe we can devote a great deal of time and attention in order to expedite the work of the session and secure prorogation at an early date, but I suggest that there is no real reason why this motion should be referred to the committe on Banking and Commerce, and compel us there to listen to such wild and irrelevant propaganda as we have heard this afternoon in this House.

[Mr. E. J. Garland.]

If you will dissect the statements of alleged fact presented by hon. members you will find that they are very partial and incomplete, or entirely erroneous. Let us take, for example, the federal reserve bank system of the United States. I have had, both in my professional and in a business capacity, to study that system. It is not a national banking system any more than the banking system of Canada is a national system. It is a national banking system simply because its constitution depends upon the legislation of the congress of the United States.

Mr. WOODSWORTH: May I suggest—

Mr. CAHAN: I have only three minutes left; please let me finish.

Mr. WOODSWORTH: I did not suggest that it was a national banking system.

Mr. CAHAN: I have heard it suggested in the House that it was a national banking system and according to my notes, the hon. member suggested that that was one of the objects we ought to attain by legislation which might be introduced under the terms of this resolution. The federal reserve boards of the United States are constituted by federal legislation; the banks of Canada are constituted and organized under federal legislation. But every dollar of the capital of the federal banks of the United States is advanced by the banks which have membership in that system. The entire banking capital is provided from private sources.

Then I think the Federal Reserve Board, appointed as my hon. friend suggested, is a board of supervision; it has no administrative capacity whatsoever and is simply a federal authority supervising the federal system, to see that the federal reserve acts are strictly complied with. As to the boards of the various districts, they are also nominated and appointed, in the majority, by the different banks of the United States. That system has advantages in that country to the south of us where there are some tens of thousands of state banks, and national banks, to the number of thousands.

The resources, on February 1st last, of the federal reserve banking system were $118,250,000 of capital paid in, but all privately owned, and it had deposits amounting to $2,270,000,000, but they were all the deposits of the member banks. The United States government, as a government, did not

own or control a single dollar of those deposits, with the exception of the fact that the United States government temporarily had on deposit $30,000,000 of that $2,270,000,000 of deposits held by the member banks.

Hon. gentlemen have referred to the Finance Act as if that act, under present conditions, conferred great advantages upon the banking system of Canada. It does in a crisis, but under present conditions there is no lack of credit in Canada. According to the last return of the chartered banks of Canada, dated February 27, 1926, the entire eleven banks of Canada had only $2,000,000 of loans from the government under the Finance Act, $1,000,000 by one bank which I need not name, and $1,000,000 by another bank, two of the smaller banks of the country. But there was no need for larger loans.

Furthermore, hon. gentlemen say that because the banks have the right to issue their own notes, therefore there is a clear gain of the interest upon the entire amount of notes issued by the banks of Canada.

Mr. GARLAND (Bow River): We did not say any such thing.

Mr. CAHAN: Not the hon. member, but the hon. member who sat beside him, the hon. member for Battle River (Mr. Spencer), suggested in his argument that the act conferred upon the banks of Canada the right to issue money on which they did not pay one cent of interest.

Mr. GARLAND (Bow River): Oh no, one per cent per annum is paid.

Mr. CAHAN: I am not referring to what the hon. member for Bow River said, but to the argument of the hon. member for Battle River.

Mr. GARLAND (Bow River): I do not think he said that; he knows much better.

Mr. CAHAN: I should think hon. gentlemen would have known very much better than to have said many of the things which they have said this afternoon, but there is no limit sometimes to ignorance.

The total amount of notes in circulation by the banks in Canada, according to the return of February 27, 1926, was $163,617,467, but at the same time the banks of Canada held of Dominion legal notes, upon which they were receiving no interest whatever, $164,023,820. Where in that situation do the banks of Canada receive a great advantage by the issuance of their own notes, when at the same time for carrying on their business they have to hold in hand an equal amount practically, within a few dollars, of Dominion legals on which they receive no interest whatever.

As it is six o'clock, Mr. Speaker, I would move the adjournment of the debate.

Motion agreed to and debate adjourned.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, April 15, 1926.

The House met at three o'clock.

PRINTING OF PARLIAMENT

First report of the joint committee of both houses on the Printing of Parliament.—Mr. Marcil.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

FRANKING PRIVILEGE

Mr. BOUCHER:

1. Is the government aware that there are being sent through His Majesty's mails to the province of Quebec thousands of pamphlets containing the speeches delivered by the Right Hon. Arthur Meighen at Hamilton and in the county of Bagot, also accompanied by a photograph of the author, and that the postage is not paid on these postal matters, the envelopes being franked at the House of Commons and bearing the initials S.F.T., M.P.?

2. Who is the member or official represented by said initials S.F.T., M.P., on above postal matters?

Right Hon. Mr. MACKENZIE KING:

1. No.

2. The postmaster of the House of Commons informs the government that the initials "S.F.T., M.P." are those of S. F. Tolmie.

Mr. DOUCET:

1. Is the government aware that even before the session of parliament opened there have been sent through His Majesty's mails to the province of Ontario thousands of pamphlets issued by the National Liberal committee, 115 Sparks street, Ottawa, containing criticism of the speech delivered by the Right Honourable Arthur Meighen at Hamilton as not being sufficiently imperialistic for said National Liberal committee, and that the postage was not paid on these postal matters the envelopes being franked and bearing the initials, "W.L.M.K., P.M."?

2. Who is the member or official represented by said initials "W.L.M.K., P.M.", on above postal matters?

Right Hon. Mr. MACKENZIE KING:

1. No.

2. The postmaster of the House of Commons informs the government that the initials "W.L.M.K., P.M." are those of W. L. Mackenzie King.

CORNWALL POST OFFICE—PRIVATE BOXES

Mr. HAMILTON:

1. Is it a fact that the charges for post office boxes in the post office at Cornwall, Ontario, have been increased one hundred per cent without notice?
2. If so, why?

Hon. Mr. LAPOINTE:

1. These rates have been increased as follows:

Style "A" from $2 to $4.
Style "B" from $3 to $6.
Style "C" from $5 to $8.
Style "D" from $8 to $12.

2. The higher rates are those applicable at post offices where delivery is made by letter carrier. Letter carrier delivery was established at Cornwall on the 4th January, 1926. The postmaster was advised of the increased rates to be charged on the 7th April, 1926.

CUSTOMS INQUIRY—MR. CALDER

Mr. LANCTOT:

1. Did Mr. R. L. Calder send in a bill as counsel before the special committee investigating matters connected with the Customs department?
2. If so, for what amount?
3. On what basis is he being paid?

Right Hon. Mr. MACKENZIE KING:

1. Yes.

2. $4,655. (Fees and expenses.)

3. Fee $200 per diem, while engaged in work for the committee, and $15 per diem expenses, when so engaged elsewhere than in Montreal.

CUSTOMS INQUIRY—ACCOUNTANTS

Mr. LANCTOT:

1. Did the firm of Clarkson, Gordon & Dilworth, chartered accountants of Toronto, send in a bill for services rendered to the special committee investigating matters connected with the Customs department?
2. If so, how much does this bill amount to and what period does it cover?
3. How many men is this firm employing for the work and how much is each man paid per day?
4. How much is this firm charging for the expenses of each man?
5. How were their services retained?
6. Were there any special arrangements made beforehand for fees and expenses?

Right Hon. Mr. MACKENZIE KING:

1. Yes.

2. Fees, $8,684.50; expenses, $2,234.06. Total, $10,918.56, from February 19 to March 27, 1926.

3. 18 men (2 part time only) and 2 stenographers.—(2 part time) at $150 per diem, 1 at $100 per diem, 2 at $40 per diem, 1 at $25 per diem, 2 at $20 per diem, 1 at $15 per diem, 9 at $10 per diem, 2 stenographers at $5 per diem.

4. Actual travelling and hotel or boarding house expenses only. (Vouchers attached to account).

5. By resolution of the committee dated February 17, 1926.

6. No.

GERMAN REPARATIONS

Mr. NICHOLSON:

1. Which department of the government is responsible for the work of the Canadian Reparations Commissioner, and the administration of all matters for which Canada is responsible under the treaties of peace between Germany and Austria and the allied nations, more particularly articles 296, 297, 298, 299, 300, 301, 302, 303, and the annexes and general provisions relating thereto?
2. Has such department of the government or the Reparations Commissioner made an annual report for presentation to parliament?
3. If not, has there been any report whatever which sets out fully the work of the Reparations Commissioner or the department of the government responsible for the work?
4. If no reports have been made is there to be a report, and when may it be expected?

Hon. Mr. LAPOINTE:

1. No official with the title "Canadian Reparations Commissioner" has been appointed or holds office. Mr. James Friel, K.C., was appointed under the provisions of the Inquiries Act, chapter 104 of R.S.C., to inquire into and report upon claims for losses sustained by the civil population during the war, and he is not subject to responsibility of any department of the government. The fund from which his expenses are paid is administered by the department of the Secretary of State. The administration of matters for which Canada is responsible under Economic Clauses Articles 296 to 303 of the treaties of Peace have been delegated to the custodian appointed under the various treaties of Peace orders in council. The custodian is defined by the treaty of Peace order in council as follows:

"The custodian" means, in respect of the time prior to the date of this order, the Minister of Finance and Receiver-General, and from the date of this order means the Secretary of State of Canada, who shall be the successor as custodian of the Minister of Finance and Receiver-General, and to whom all property, rights and interests heretofore vested in the custodian are hereby transferred."

2. No.

3. No.

4. Mr. Friel is required by his commission to make a report to the Governor General in Council. The custodian is not required by the treaties of Peace orders in council to make a report.

IMPERIAL CONFERENCE

Mr. CHURCH:

1. Has any invitation to the proposed colonial conference next October yet been received from the British government? If so, what are its terms?

2. Will Canada be represented if one is held; who will represent the government, and will the government lay on the table of the House the correspondence as to any proposed conference and the replies made to the same by Canada to Great Britain and the various governments of the oversea dominions?

3. Will the agenda for said conference be presented to parliament for consideration and discussion at the present session?

4. What questions are proposed to be taken up by the government at the said conference on behalf of Canada, or what suggestions have been made by Canada?

Right Hon. Mr. MACKENZIE KING:

1. The proposal to hold an Imperial conference in October has been received. The terms were set out in the copies of the correspondence between the governments of Great Britain and Canada, tabled in this House on March 16. (Additional copies are hereto attached.)

2. As indicated in that correspondence, the Canadian government has concurred in the proposal. The question as to what ministers will represent the government will be determined later. As noted above, the available correspondence has already been tabled.

3. Yes.

4. The question of the agenda is under discussion between the various governments of the empire.

Copy of Telegram

From the Secretary of State for Dominion Affairs
to the Governor General.

London, December 21, 1925.

Following from Prime Minister for your Prime Minister. Begins:

You will remember, tnat in my message of November 18 I said that we hoped to be able to make proposal in the near future as to the date of the next Imperial conference.

We have been considering whether we should propose a meeting in 1926 or in 1927. We could hardly, at this stage, suggest a time for assembling if the latter alternative were adopted but if a meeting were arranged for next year, we think the time might be either the middle of June or the beginning of October. Before however proceeding any further, we should be glad to know your own views as to the most suitable date. I am sending a similar telegram to other Prime Ministers.

Baldwin. Ends.

(Sgd.) Secretary of State for Dominion Affairs.

Copy of Code Telegram

To the Secretary of State for Dominion Affairs
From the Governor General

Ottawa, 8th January, 1926.

As to the date of the next Imperial conference, it is evident that the present parliamentary position in Canada makes it impossible to undertake to send representatives to a conference in June of this year, and very uncertain whether they could be sent in October. So far as Canada is concerned, early in October, 1927, would at present appear the most convenient time, pending announcement by all the other governments concerned of the dates they would prefer.

Copy of Telegram

From the Secretary of State for Dominion Affairs
to the Governor General

Code

London, February 4th, 1926.

Following from Prime Minister for your Prime Minister: Begins:

I have brought before the cabinet your message of January 8th and the question of the date of the next Imperial conference has now been further considered. As you will have seen, general view of the government of the other dominions and of India is in favour of a conference in October, 1926, and this view is shared by the cabinet here. In these circumstances would you concur in an announcement being made that it is intended to hold an Imperial conference in October, 1926. I am repeating this telegram to other dominions.

Baldwin. Ends.

(Sgd.) Secretary of State for Dominion Affairs.

Copy of Telegram

From the Secretary of State for Dominion Affairs
To the Governor General

Code.

London, February 15, 1926.

My telegram of February 4. Please inform your Prime Minister that the Prime Minister would be grateful for early reply to his message as to the date of the next Imperial conference.

(Sgd.) Secretary of State for Dominion Affairs.

Copy of Code Telegram

To the Secretary of State for Dominion Affairs
From the Governor General

Ottawa, 19th February, 1926.

Following from the Prime Minister for your Prime Minister.

Begins:

Your telegram of February 15 with reference to Imperial conference received. As between the two years suggested in your telegram of December 21 for holding the conference, 1927, would undoubtedly, as previously indicated, be more suitable from Canada's point of view. In consequence, however, of your statement of February 4 that the general view of the governments of other dominions and of India is in favour of a conference in October, 1926, and that this view is shared by the British cabinet, the Canadian government is prepared to concur in the proposal to set October, 1926, as the date of the conference.

Ends.

(Sgd.) Governor General.

CARILLON POWER DEVELOPMENT

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I should like to ask the Prime Minister or the Minister of Railways whether any permits or licenses or leases have been applied for or granted involving construction in the Ottawa river at Carillon or involving the right to export power.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I will make inquiry into the matter and give my right hon. friend an answer to-morrow.

MAIL MATTER—MARKING WITH RUBBER STAMP

On the Orders of the Day:

Mr. H. C. HOCKEN (Toronto West Centre): I should like to put a question to the Prime Minister in the absence of the Postmaster General. I have in my hand an envelope of a letter posted in the city of Montreal and upon the face of it applied by rubber stamp is this statement:

In bilingual Canada why not a bilingual postage stamp?

Is this done with the approval and consent of the government?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I have not noticed the particular matter to which my hon. friend has referred. I am obliged to him for having brought it to my attention. I will have inquiry made as to just how it appears there.

Mr. HOCKEN: I presume this kind of thing must be done with consent of the Post Office Department.

Some hon. MEMBERS: Order.

Mr. HOCKEN: Am I right?

Some hon. MEMBERS: Order.

Mr. HOCKEN: I will ask the Prime Minister another question. Can this kind of propaganda be carried on without the consent of the postal department?

Mr. MACKENZIE KING: I have no doubt the Postmaster General himself has knowledge of the matter, but it has not been brought to my attention before. However, I shall make inquiries of the Postmaster General, ascertain the fact, and give my hon. friend further word. If my hon. friend will be kind enough to let me have the envelope to which he has referred it will help me in my inquiries.

[Mr. Mackenzie King.]

Mr. HOCKEN: It is understood, of course, that it will be returned to me?

Mr. MACKENZIE KING: The hon. member will have to trust me all in all or not at all.

Mr. SPEAKER: Stands as an order for return.

LA SALLE CAUSEWAY BRIDGE

On the Orders of the Day:

Mr. A. E. ROSS (Kingston City): Has the attention of the Minister of Public Works been called to the possibilities of accident on the La Salle causeway bridge? Perhaps I may quote a newspaper paragraph in reference to the condition of this structure. A mother and son narrowly escaped injury recently, according to this item, which concludes as follows:

On closer inspection it was noticed that the slabs of concrete are in a somewhat dilapidated condition. The falling of this piece of concrete illustrates the potential danger that exists there.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF HON. J. A. ROBB, MINISTER OF FINANCE

Hon. J. A. ROBB (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means.

He said: A Dominion budget necessarily deals with two years—the year that is past and for which the Public Accounts have been submitted to parliament, and the year that is either current or, as in this case, just closed.

Public Accounts 1924-25

The Public Accounts for the financial year 1924-25 were tabled on the 11th of January last. In the budget speech delivered on the 24th of March, 1925, in making the estimate for the outcome of the year 1924-25, I followed the usual safe practice of estimating revenues yet to come as somewhat less than they would likely be and expenditures as somewhat greater.

The actual outcome of that year, as shown by the Public Accounts recently tabled, gives in round figures $2,800,000 more of ordinary revenue than was estimated. Ordinary expenditures were $808,000 less than were estimated; capital expenditures $1,500,000 less; special expenditures $209,000 less; and loans to the Canadian National Railways $8,000,000

less. The budget estimated an increase of debt for that year of some $13,000,000. In connection with this estimated increase of debt I now desire to offer a pleasing explanation. When the estimate for budget purposes was determined, an item of $7,500,000 for the Canadian National Railways in the supplementary estimates submitted to the House for that year was included as an expenditure. Three months later, when under consideration in the House, this item was, on the motion of a member of the government, struck out, thus reducing by that amount the estimated increase of debt. The improvement in our revenues and the curtailment of expenditures in these and other minor services were sufficient to change an estimated increase of some $13,000,000 in the debt into a decrease of $345,589.29, as shown by the Public Accounts for that year.

1925-26

Increase of $29,965,520 in Revenue

Coming now to the fiscal year 1925-26, four years of prudent administration, good crops and greater production at home, improved conditions and increased purchasing power abroad, enabled me to-day to present a financial statement as encouraging to Canadians as it must be gratifying to all interested in the progress and development of Canada. Throughout the year imports of raw material for Canadian industries have been well maintained, in a number of instances in excess of previous years; while from month to month during the year export trade increased, resulting in a steady growth of our favourable balance, which at the end of the fiscal year exceeds $402,000,000. Nowhere are the results of this growing trade more accurately reflected than in the increased earnings of Canadian railways and in the annual statements of Canadian financial institutions and Canadian industrial corporations.

The actual ordinary revenues received up to and including March 31 last amounted to $367,958,495. The estimated revenue yet to come when the accounts for the year are finally closed is $8,841,505. This gives a total revenue of $376,800,000, an increase of some $29,965,520 over similar revenues for 1924-25.

Revenues and Expenditures

The revenue estimated from customs duties is $127,360,000, an increase of $19,200,000 over the previous year; from excise duties we expect $42,920,000, an increase of $4,300,000; we estimate that the revenue from excise taxes will be $95,500,000, an increase of $9,689,000; from income taxes we estimate $55,530,000, a decrease of $700,00 under the previous year; of arrears overdue under the former Business Profits War Tax Act we have collected some $1,150,000; from interests on investments we estimate a revenue of $8,270,000, a decrease of about $3,062,000; we expect to receive $30,334,000 as post office receipts, an increase of $1,540,000; and from all other sources we estimate a total of $15,736,000, being an increase of $541,000.

With the permission of the House, I shall place on Hansard a comparative summary of the two years' revenues by services; also a further statement showing the percentages of revenues to the total revenues for the year 1925-26.

ORDINARY REVENUE

—	Actual 1924–25	Estimated 1925–26	Increase	Decrease
	$ cts.	$ cts.	$ cts.	$ cts.
Customs	108,146,871 51	127,360,000 00	19,213,128 49	
Excise Duty	38,603,489 23	42,920,000 00	4,316,510 77	
Excise Taxes	85,810,717 42	95,500,000 00	9,689,282 58	
Income Tax	56,248,042 82	55,530,000 00	.....	718,042 82
Delayed Business Profits Tax	2,704,427 37	1,150,000 00	.....	1,554,427 37
Interest on Investments	11,332,328 50	8,270,000 00	.....	3,062,328 50
Post Office	28,793,816 86	30,334,000 00	1,540,183 14	
Other Revenues	15,194,785 54	15,736,000 00	541,214 46	
	346,834,479 25	376,800,000 00	29,965,520 75	

ESTIMATED ORDINARY REVENUE
For Fiscal Year 1925–26

	Estimated Revenue	Percentage of total ordnary revenue
	$ cts.	
Special War Tax Revenue:—		
Excise Taxes (Sales, Stamps, etc.)	95,500,000 00	25·35
Income Tax	55,530,000 00	14·73
Delayed Business Profits Tax	1,150,000 00	0·31
Miscellaneous War Taxes	2,400,000 00	0·64
Total Special War Tax Revenues	154,580,000 00	41·03
Customs Import Duties	127,360,000 00	33·80
Excise Duties	42,920,000 00	11·39
Total Revenue from Taxation	324,860,000 00	86·22
Interest on Investments	8,270,000 00	2·19
Post Office Revenue	30,334,000 00	8·05
Miscellaneous Receipts	13,336,000 00	3·54
Total Ordinary Revenue	376,800,000 00	100

Taking the estimated revenues for the year ended March 31, 1926, as $376,800,000 and the estimated expenditures chargeable to consolidated fund as $321,800,000, there will be available for capital, special and other obligations a surplus of revenue over ordinary expenditure of $55,000,000.

Capital expenditure for public works, including that of the Marine department, will amount to $4,930,000; and for Railways and Canals $12,005,000, of which $11,945,000 is for the Welland ship canal. The total net capital expenditure for the year will therefore be $16,935,000.

Special expenditures will amount to $4,155,000, made up of: adjustment of war claims, $275,000; cost of and discount on loan flotations for refunding maturing loans, $3,530,000; and consolidated fund transfer charges, $350,000.

With the approval of the House, I submit herewith a summary of the estimated expenditures on government business for the past fiscal year, showing the various amounts and their precentages to the total expenditures on government services.

ESTIMATED EXPENDITURE FOR 1925–26

	Amount	Percentage of total expenditure on Government Services
Principal Expenditure attributable to the War—		
Interest on Public Debt (increase over 1914)	$ 117,907,000 00	34·38
War Pensions	36,160,000 00	10·55
Soldiers' Civil Re-establishment	7,705,000 00	2·25

ESTIMATED EXPENDITURE FOR 1925–26

	Amount	Percentage of total expenditure on Government Services
Principal Expenditure Attributable to the War—Conc.		
Soldier Land Settlement (Administration)	1,300,000 00	0·38
Imperial War Graves Commission	475,000 00	0·14
Battlefield Memorials	175,000 00	0·05
Adjustment of War Claims	275,000 00	0·08
	$ 163,997,000 00	47·83
Other Fixed and Public Debt Charges—		
Interest on Public Debt (as of 1914)	$ 12,893,000 00	3·75
Other Pensions	1,060,000 00	0·31
Superannuation	1,600,000 00	0·47
Subsidies to Provinces	12,375,000 00	3·61
Discount and Expenses of Loans	3,530,000 00	1·03
	$ 31,458,000 00	9·17
General Expenditure—		
Charges of Management	$ 880,000 00	0·26
Premium, Discount and Exchange	10,000 00	–
Civil Government	11,000,000 00	3·21
Administration of Justice	2,165,000 00	0·63
Legislation	2,485,000 00	0·72
Elections	1,650,000 00	0·48
Penitentiaries	1,640,000 00	0·48
Agriculture	5,850,000 00	1·71
Immigration and Colonization	2,500,000 00	0·73
Health	650,000 00	0·19
National Defence	12,450,000 00	3·64
Royal Canadian Mounted Police	2,097,000 00	0·61
Public Works chargeable to Income	13,500,000 00	3·94
Railways and Canals, chargeable to Income	1,350,000 00	0·39
Canada Highways	2,000,000 00	0·58
Mail Subsidies	1,100,000 00	0·32
Ocean and River	2,400,000 00	0·70
Lighthouse and Coast	2,450,000 00	0·70
Steamboat Inspection	119,000 00	0·03

ESTIMATED EXPENDITURE FOR 1925-26

	Amount	Percentage of total expenditure on Government Services
General Expenditure—*Conc.*		
Fisheries	1,400,000 00	0·41
Mines and Geological Survey	500,000 00	0·15
Scientific Institutions	1,000,000 00	0·29
Indians	3,676,000 00	1·07
Government of the North West Territories	380,000 00	0·12
Miscellaneous	3,500,000 00	1·03
Government of the Yukon Territory	215,000 00	0·06
Customs and Excise (outside service)	9,850,000 00	2·87
Post Office (outside service)	30,360,000 00	8·85
Public Works, collection of revenue	860,000 00	0·26
Railways and Canals, collection of revenue	2,100,000 00	0·61
Dominion Lands and Parks	3,875,000 00	1·13
Trade and Commerce	4,750,000 00	1·39
Labour	1,250,000 00	0·36
Public Printing and Stationery	138,000 00	0·04
Miscellaneous Consolidated Fund Charges	350,000 00	0·10
Capital Expenditure—		
Public Works, including Marine Department	4,930,000 00	1·44
Railways and Canals	12,005,000 00	3·50
	$ 147,435,000 00	43·00
Total Estimated Expenditure on Government Services	$ 342,890,000 00	100·00

Surplus of $33,910,000 on Government Service

Comparison of the total expenditures on all government services, namely $342,890,000, with our estimated revenue receipts for the year of $376,800,000, will show that we have more than balanced the year's business on government services by the sum of $33,910,000.

Special War Tax Revenues and Expenditures

The special war tax revenues received during the fiscal year 1925-26 will amount to some $154,580,000. The total expenditures directly attributable to the war—and I desire to especially direct this to the attention of the House—will amount to some $163,997,000, or $9,417,000 more than the receipts from our special war revenues. This difference becomes a charge on other sources of revenue.

I submit herewith in the form of a summary the war revenues and expenditures by services for the years 1924-25 and 1925-26.

The expenditures given in this summary are absolute and exact, with the exception of the amount for interest on public debt, which is taken as the difference between the amount spent in the years shown and the amount that was paid prior to the war in 1913-14.

SPECIAL WAR TAX REVENUES

Special War Tax Revenues	Actual 1924-25	Estimated 1925-26
Excise Taxes—		
Sales	$ 66,707,369 96	$ 71,900,000 00
Manufacturers	10,840,438 89	12,600,000 00
Stamps	9,325,887 95	9,800,000 00
Transportation	2,420,930 07	2,350,000 00
Licenses	36,211 00	35,000 00
	$ 89,330,837 87	$ 96,685,000 00
Less Refunds	3,520,120 45	1,185,000 00
Net Revenue Excise Taxes	$ 85,810,717 42	$ 95,500,000 00
Income Tax	56,248,042 82	55,530,000 00
Delayed Business Profits Tax	2,704,427 37	1,150,000 00
Trust and Loan Companies	315,314 88	315,000 00
Insurance Companies	867,901 96	865,000 00
Chartered Banks	1,217,753 85	1,220,000 00
Total Special War Tax Revenues	$147,164,158 30	$ 154,580,000 00

PRINCIPAL EXPENDITURES ATTRIBUTABLE TO THE WAR

	Actual 1924-25	Estimated 1925-26
Interest on Public Debt (increase over 1914)	$121,896,099 27	$ 117,907,000 00
War Pensions	33,842,248 03	36,160,000 00
Soldiers' Civil Re-establishment	8,981,199 57	7,705,000 00
Soldier Land Settlement (Adm'n)	1,412,900 59	1,300,000 00
Imperial War Graves	446,895 77	475,000 00
Battlefields Memorials	195,312 59	175,000 00
Adjustment of War Claims	506,931 27	275,000 00
Total Expenditure attributable to the War	$167,281,587 09	$ 163,997,000

Obviously, had we not the heavy railway and merchant marine expenditures and those expenditures which grew out of war conditions, our surpluses and other available resources might have been used in the reduction of war debt and would have permitted the showing of a lower figure for interest attributable to the war. On the other hand, during the war and demobilization periods large outlays were charged to ordinary expenses which, while not actual war cost, were directly attributable to war conditions. Even now there are heavy annual charges not taken into consideration in the summary submitted for which the war is responsible, for instance, the amount of $4,000,000 expended in the collection of war taxes has not been included, nor have the annual charges relating to the management of loans issued for war purposes and the expenses of refinancing maturing war loans. These latter charges and expenses may be estimated conservatively at $4,000,000. There might also be included the cost of housing the staffs connected with these services, which is now carried by the Public Works department.

Public Debt

Coming now to the public debt: On March 31, 1925, our net public debt stood at $2,417,437,685.59.

With estimated ordinary revenues of $376,800,000 and estimated ordinary, capital and special expenditures, as set out above, of $342,890,000, there will be a favourable balance in the year's operations on government services of $33,910,000.

There are other receipts and credits, amounting to $2,143,000, together with certain expenditures of about $13,700,000 which have not been dealt with as affecting the result of the year's business on government services, but which must be taken into account in determining the net debt. These receipts and credits are as follows: receipts on account of reparation payments $1,593,000, and interest-bearing bonds amounting to $550,000 deposited by the Vancouver Harbour Commission on account of the transfer of the government elevator at Vancouver to that Commission. These bonds have been included in our balance sheet as an investment.

On the expenditure side we have a loan of $10,000,000 to the Canadian National Railways, $668,000 to the Canadian Government Merchant Marine, and $511,000 to the Quebec Harbour Commission. There was also paid out some $2,521,000 under the provisions of the Home Bank Creditors' Relief Act.

To obtain the net debt as of March 31, 1926, of $2,395,084,685.59, the excess of $11,557,000 of these special expenditures over these special revenues should be deducted from the surplus of $33,910,000 mentioned above, which will give a reduction of debt during the year of $22,353,000. May I again emphasize, Mr. Speaker, that this reduction of debt is net, clear of everything? I again ask the permission of the House to submit a summary of the details showing the estimated decrease of debt.

ESTIMATED OUTCOME OF THE FISCAL YEAR 1925-26

Ordinary Revenue			$ 376,800,000 00
Ordinary Expenditure		$ 321,800,000 00	
Capital Expenditure (net)		16,935,000 00	
Special Expenditures—			
Cost of Loan Flotations	$ 3,530,000 00		
Adjustment of War Claims (net)	275,000 00		
Miscellaneous Charges	350,000 00	4,155,000 00	342,890,000 00
Surplus on Government Business			$ 33,910,000 00
Surplus over Ordinary and Capital Expenditure		$ 38,065,000 00	
Surplus over Ordinary Expenditure		55,000 000 00	
Other Receipts and Credits—			
Reparation payments		1,593,000 00	
Bonds received from Vancouver Harbour Commissioners on account of Government Elevator at Vancouver transferred to the commission		550,000 00	2,143,000 00
			$ 36,053,000 00
Other Expenditure—			
Loans to Canadian National Railways		$ 10,000,000 00	
Loans to Canadian Government Merchant Marine		668,000 00	
Loans to Quebec Harbour Commissioners		511,000 00	
Home Bank of Canada Creditors' Relief Act		2,521,000 00	13,700,000 00
Estimated Decrease of Debt			$ 22,353,000 00

Loan Flotations During the Fiscal Year

During the fiscal year securities amounting to $164,347,833 matured. These obligations were met by issuing refunding loans amounting to $145,000,000, the balance being provided from cash resources. As a result of these transactions, the outstanding funded debt was reduced by $19,347,833 and a saving of $819,058 was made in the annual interest charges.

The securities which matured were as follows:

Due in London—$24,333,333 4 per cent Treasury Bills replacing 4½ per cent Bond Loan, 1920-25.

Due in Canada—$8,000,000 4 per cent Notes, 1924-25 $42,014,500 5 per cent war Loan 1915-25 (tax free).

Due in United States—$90,000,000 4 per cent Notes, 1924-25.

To meet these obligations, there were sold on September 1, 1925, $70,000,000 four per cent, One-year Treasury Notes, payable in New York, and $75,000,000 four and one-half per cent fifteen year bonds, payable in Canada

and subject to Canadian taxes. We thus replaced tax-free bonds by taxable to the extent of $42,014,500.

The $75,000,000 bond issue was sold to a Canadian syndicate at 95.80 flat, payment being made in three instalments to suit our financial requirements,—one-third on September 30, one-third on October 31 and one-third on November 30.

The $70,000,000 note issue replacing $90,000,000 falling due was sold to a New York syndicate at par. The government reserved the right to redeem this issue on notice after March 1, 1926.

This completed the financing of obligations due in the fiscal year 1925-26.

Recently we have entered into an important and successful refunding operation to meet securities falling due in the year 1926-27. On April 1, 1926, there fell due in New York $25,000,000 5 per cent bonds of the Public Service Loan of 1916. While making provision for this maturity, advantage was taken of existing favourable market conditions to arrange for the refunding of other obligations, including $70,000,000 of temporary notes due in New York on September 1, 1926. Under our option, these notes were called for redemption on April 1. This brought the total of securities for redemption in New York on April 1, 1926, to $95,000,000. Negotiations with New York and Canadian financial houses resulted in issues being made of $40,000,000 in New York and $65,000,000 in Canada, thus effecting a reduction of $55,000,000 in our obligations due in New York.

The issue of $40,000,000 4½ per cent ten year bonds in New York realized 97.354 flat. The issues in Canada were divided as to maturity into $20,000,000 4½ per cent four-year bonds and $45,000,000 4½ per cent twenty-year bonds, realizing an average price of 96.735 flat.

Railway Finances

Those who have followed the published reports of earnings of the Canadian National Railways will not be surprised to learn that their financial requirements have fallen much below the estimate of $50,000,000 asked for and voted by parliament last session. The Minister of Railways will shortly make the usual detailed presentation of railway accounts, but I have thought it advisable, at this time, to refer briefly to the financial outcome of the year, so that we may have a clear conception of how the country stands when the railway results are considered in conjunction with the government's own debt position.

The annual statement of the Canadian National Railways for the calendar year 1925 will show earnings of $30,443,852 in excess of all operating and income charges, exclusive of interest. Government accounts are based upon the fiscal year ended 31st March, and it is for that period that the railway estimates are voted. I have, therefore, secured from the railway management their figures corresponding to our fiscal-year period. The first three months of 1926 show considerable improvement in earnings over the first quarter of 1925, and we have for the fiscal year 1925-26 an approximate figure of $33,000,000 representing earnings of the roads in excess of all operating and income charges, exclusive of interest.

The annual interest is $71,800,000 in round figures, of which $40,400,000 is payable on outstanding securities in the hands of the public. The balance, $31,400,000, is a bookkeeping and not a cash item and represents their liability for interest on government advances. As stated last year, this interest is not paid by the railways but is held in abeyance by the Dominion as an overdue account. The item, having been absorbed indirectly through the Dominion accounts into our net national debt, may therefore be left aside for present purposes. Setting off the earnings of $33,000,000 against $40,400,000 of interest paid the public, there remains a shortage of $7,400,000, which represents the actual cash loss to the railways in the fiscal year. It is to meet such losses, as well as to provide for sundry debt retirements and capital expenditures, that the railway estimates are voted.

Coming now to the financial aid which we were called upon to give to the railways during the fiscal year just closed: in the budget speech last session, I announced assistance to the railways, during the fiscal year 1924-25, to the extent of $74,000,000, exclusive of an issue of bonds for refunding purposes. This $74,000,000 was made up of:—

Cash advances from the government..	$10,000,000
Bond issues guaranteed..	64,000,000

In the year just closed, financial assistance to the railways has been limited to $10,000,000 advanced by the government in cash from our revenues. No guarantees have been given or floating indebtedness incurred. This situation is attributable partly to the substantial increase in earnings and partly to reductions in the purchase of materials and supplies and by the use of working capital. In addition there were unspent balances of guaranteed bond issues of previous years amounting to $2,700,000 odd which have been utilized.

The advance of $10,000,000 has been charged to the net debt of the Dominion as a non-active asset, in the same way as all railway cash loans have been treated. This advance covers the loss of $7,400,000 referred to and leaves $2,600,000 for capital purposes. It will therefore be seen that the public accounts for the year will include not only all government expenditures but also the total loss of the railways and an amount of $2,600,000 available for railway capital purposes, over and above which no further financial assistance was given.

Our total payments in respect of these railway corporations now reach $601,000,000, actual cash outlay charged to our national debt. This is exclusive of accumulated interest charges, as well as the capital cost of the original Canadian Government Railways. A large part of this sum represents provision for losses incurred, adding no value to the road. A very substantial amount, however, has been devoted to improvements in the road and equipment, which have materially enhanced the value of the lines. The improvement of $43,000,000 in earnings within a period of four years speaks for itself.

One estimate of the value of the government's investment in the Canadian National Railways, exclusive of Canadian Government Railways, is $375,000,000. This figure is arrived at after eliminating deficits and such over-valuations and inflations as were established on the occasion of the royal commission investigation of 1917 and the subsequent arbitration proceedings.

Whatever may ultimately be decided as a proper valuation for the government's investment in the system, the fact remains that a very substantial contribution has been made and included as a non-active asset in arriving at the net debt as shown in our public accounts. With the company to-day almost within striking distance of meeting its fixed charges due the public, the time should not be far distant when additions to our national debt for Canadian National Railway purposes will cease. Certainly we have in the railway situation, as affecting our Dominion finances, a much improved showing and a brighter outlook.

Fiscal Year 1926-27

To forecast revenues for the current year accurately is always difficult. Indications, however, point towards a year of increased revenues. The main estimates already submitted to parliament and the probable amount of the further supplementary estimates would give a fairly close indication of the expenditures for the year.

[Mr. Robb.]

The main estimates for all services other than railways amount to $345,771,351. Advances to railways amount to $31,000,000, and advances to merchant marine $600,000, or a total of $31,600,000. To this must be added something for supplementary estimates. For this purpose I shall allow $4,500,000, being approximately the amount of last year's supplementary estimates, less sundry items amounting to some $4,500,000 which will not this year be required. I confidently hope, however, that the amount will not be so large, and I warn my friends on both sides that I will do my best to keep it lower.

May I direct the attention of the House and of the country to the remarkable development which has taken place in Canada's trade. We closed the fiscal year with a favourable balance of over $402,000,000, which constitutes a record for any year since the war period. Unrevised figures for the fiscal year ended March 31, last show our total trade to be $2,258,534,453, an increase of $380,000,000 over that of the fiscal year which ended March 31, 1925, when our total trade amounted to $1,878,000,000. Our exports have continued to exceed our imports, and for the year under review these exports totalled $1,330,000,000, as against $1,081,000,000, the year previous. This is an increase in our export trade of $249,000,000. Our imports during the fiscal year totalled $927,000,000, as compared with $796,000,000 for the previous year, or an increase of $130,000,000. Summarizing these figures, it is seen that the favourable balance of our exports over imports has this year increased from $284,000,000 to $402,695,000.

When comparing our trade from year to year, there are two points of particular interest. One is the general favourable balance; the other, the source of our expansion of trade. Statistical reports for the whole fiscal year have not reached such a stage of completion that the trade can be classified by countries. But the figures for the eleven months ending February 28 are available, and a comparison can be made between that period and the same period ending February 28, 1925. During the eleven months of the last fiscal year the balance of exports over imports increased by $115,000,000. Of this increase, no less than $104,000,000, or 90 per cent of the favourable balance, is accounted for by empire trade. This, Sir, is ample vindication of the trade policy adopted by the government, and shows that our efforts should be increasingly directed towards the cultivation of trade within the empire and with countries favourably disposed towards commercial intercourse with Canada.

The most striking feature of our empire trade is the rapid growth, since the removal of the embargo on April 1, 1923, of our cattle exports to the United Kingdom. During the year preceding the lifting of the embargo, our exports of cattle to Britain were valued at $2,809,796, while for the eleven months ending February last they were $11,283,007, or over four times as great. The growth of this trade in the past three years is indicated in the following table:

Exports of Cattle over One Year Old from Canada to Great Britain, 1923-1926
(From Customs returns)

	Number	Value
1923	25,758	$ 2,809,796
1924	59,486	6,287,815
1925	86,245	9,125,667
1926 (11 months ending February)	106,200	11,283,007

The Income Tax

Now I come to a part of the financial statement that may interest every member of the House, and particularly the country. Happily our financial and commerical position now enables us to make very substantial reductions in the income taxes. With a desire to make available new money for development, our proposals provide reductions all along the line. In the revision of the Income War Tax Act, a distinction has been made between yearly earnings and income derived from investments. The act is now presented in a new and less complicated form, one which will make the tax easier to calculate and, we believe, easier to pay.

For the information of the members of the House, I now ask leave to place on Hansard a comparative statement of the proposed changes:

INCOME TAX

MARRIED PERSON WITHOUT DEPENDENT

Taxes Payable

Income	Present Tax	Proposed* Tax
1,000		
1,500		
2,000		
2,500	$ 20 00	
3,000	40 00	
3,500	60 00	$ 10
4,000	80 00	20
4,500	100 00	30
5,000	126 00	40
6,000	178 50	70
7,000	283 50	110
8,000	388 50	160
9,000	504 00	220
10,000	619 50	290
11,000	745 50	370
12,000	871 50	460
13,000	1,008 00	560
14,000	1,144 50	670
15,000	1,291 50	790

INCOME TAX

MARRIED PERSON WITHOUT DEPENDENT—*Con.*

Taxes Payable

Income	Present Tax	Proposed* Tax
16,000	1,438 50	920
17,000	1,596 00	1,060
18,000	1,753 50	1,210
19,000	1,921 50	1,370
20,000	2,089 50	1,540
21,000	2,268 00	1,720
22,000	2,446 50	1,910
23,000	2,635 50	2,110
24,000	2,824 50	2,320
25,000	3,024 00	2,530
26,000	3,223 50	2,740
27,000	3,433 50	2,950
28,000	3,643 50	3,160
29,000	3,864 00	3,380
30,000	4,084 50	3,600
31,000	4,315 50	3,820
32,000	4,546 50	4,040
33,000	4,788 00	4,260
34,000	5,029 50	4,490
35,000	5,281 50	4,720
36,000	5,533 50	4,950
37,000	5,796 00	5,180
38,000	6,058 50	5,410
39,000	6,331 50	5,650
40,000	6,604 50	5,890
41,000	6,888 00	6,130
42,000	7,171 50	6,370
43,000	7,465 50	6,610
44,000	7,759 50	6,860
45,000	8,064 00	7,110
46,000	8,368 50	7,360
47,000	8,683 50	7,610
48,000	8,998 50	7,860
49,000	9,324 00	8,120
50,000	9,649 50	8,380
52,000	10,321 50	8,900
54,000	11,014 50	9,430
56,000	11,728 50	10,070
58,000	12,463 50	10,510
60,000	13,219 50	11,070
62,000	13,996 50	11,630
64,000	14,794 50	12,200
66,000	15,613 50	12,780
68,000	16,453 50	13,360
70,000	17,314 50	13,960
72,000	18,196 50	14,560
74,000	19,099 50	15,170
76,000	20,023 50	15,790
78,000	20,968 50	16,410
80,000	21,934 50	17,050
82,000	22,921 50	17,690
84,000	23,929 50	18,340
86,000	24,958 50	19,000
88,000	26,008 50	19,660
90,000	27,079 50	20,340
92,000	28,171 50	21,020
94,000	29,284 50	21,710
96,000	30,418 50	22,410
98,000	31,573 50	23,110
100,000	32,749 50	23,830
110,000	39,049 50	27,500
120,000	45,349 50	31,270
130,000	51,649 50	35,140
140,000	57,949 50	39,110
150,000	64,249 50	43,180
175,000	81,049 50	53,650
200,000	97,849 50	64,370
250,000	133,549 50	86,340
300,000	169,249 50	108,810
350,000	206,524 50	131,780
400,000	243,799 50	155,250
450,000	281,074 50	179,220
500,000	318,349 50	203,690
600,000	393,949 50	253,660
700,000	469,549 50	303,660
800,000	545,149 50	353,660
900,000	620,749 50	403,660
1,000,000	696,349 50	453,660

*The "proposed tax" in the above table is calculated on incomes exclusive of dividends.

I shall not go over the whole list, but may I offer a few examples to show the effect of the proposed changes. On an income of $3,000 the present tax is $40; under the new proposal, nothing will be paid; on an income of $6,000 the present tax is $178.50; under the new proposal, it will be $70; on an income of $12,000 the present tax is $871.50; under the new proposal it will be $460; on an income of $18,000 the present tax is $1,753.50; under the new proposal it will be $1,210. If there is any person interested in knowing how much he will have to pay on an income of $1,000,000 he will be able to find that on Hansard tomorrow morning.

Mr. WHITE (Mount Royal): May I ask the hon. minister if these tax reductions are to be retroactive to last year?

Mr. ROBB: Mr. Speaker, I would not like to go beyond this present year, but if it will sweeten the taste to hon. gentlemen, I may say that we hope, if the enactment meets with the approval of parliament that it may apply to the taxes which are now being collected, but that will depend on hon. gentlemen opposite as much as upon ourselves.

Proposed Changes in Customs Tariff and Taxation

Coming now to the resolutions which I shall submit to the House proposing customs tariff changes and reductions of taxation under the Special War Revenue Act and the Income War Tax Act, apart from certain modifications to meet the requirements of the West Indies and other trade agreements, the tariff changes proposed are not numerous. Prior to the appointment of the Tariff Advisory Board, certain tariff changes to meet new and growing conditions had been determined on, and these are embodied in the resolutions I shall place before you.

On cocoa beans it is proposed to increase the general tariff from $1.50 to $2.00 per hundred pounds, and a corresponding increase is made on certain cocoa products.

It is also proposed to make green coffee free under the British preferential tariff.

The rates on ginger, spices, nutmegs, mace and arrowroot are reduced in compliance with the terms of the West Indies agreement.

Bananas remain free under all tariffs but the Governor in Council is given power to impose a duty of 50 cents a bunch under the general and intermediate tariffs, leaving them free under the British preferential tariff when imported by ship direct.

It is proposed to reduce the rate on pineapples in air-tight tins from 1¾ cents a pound to one-half cent under the British preferential tariff.

The general tariff on fresh meats is to be increased one-half cent a pound.

To encourage the conservation of our timber resources, it is proposed to admit tree seeds for reafforestation free of duty.

The duty on sugar for refining purposes testing 96 degrees of polarization is reduced under the British preferential tariff 16.288 cents per hundred pounds, that is from 45 cents to 28.712 cents. Proportionate reductions are made in the duty on sugar of other degrees of polarization.

Angostura bitters, imported by ship direct, are to be admitted under the British preferential tariff at $5.00 a gallon as compared with the present duty of $10.

Some hon. MEMBERS: Hear, hear.

Mr. ROBB: That seems to meet with the approval of hon. gentlemen.

It is further proposed, in harmony with the terms of the West Indies agreement, that sponges, which now pay a duty of 12½ per cent under the British preferential tariff and 8¾ per cent under the West Indies agreement of 1920, shall be admitted free under the British preferential tariff.

Tin plate, of a class or kind not made in Canada, is to be free under the British preferential tariff and dutiable at 5 per cent under the intermediate and general tariffs. This will benefit principally the canning industry.

There is a pronounced sentiment throughout Canada that the automobile industry enjoys more protection than is needed to maintain it on a reasonably profitable basis, and in deference to that sentiment we propose a downward readjustment of automobile, motor truck and motor cycle duties. It is proposed to reduce the duty on automobiles valued at retail at not more than $1,200 and on motor trucks and motor cycles to 20 per cent under the general tariff, 17½ per cent under the intermediate tariff and 12½ per cent under the British preferential tariff. On automobiles valued at more than $1,200 each, the general tariff is reduced to 27½ per cent, the intermediate to 25 per cent and the British preferential to 15 per cent. To encourage Canadian industry a drawback of 25 per cent will be paid on materials used in the manufacture of the above-mentioned motor vehicles, provided that at least 50 per cent of the cost of the finished vehicle is produced in Canada.

The duty on pasteurizers and equipment for generating electric power for farm purposes is reduced under the British preferen-

tial tariff to 5 per cent, under the intermediate and general tariffs to 10 per cent. A proportional reduction is made on the raw material.

The duty on steel casting in the rough for the manufacture of shot guns is reduced under the general tariff to 10 per cent. The duty on gunstocks is also reduced under the general tariff to 15 per cent.

It is proposed to remove the duty on belt and cap lamps for miners and parts of miners' safety lamps.

Machinery for use only in producing unrefined oil or fertilizers from shales is to be placed on the free list and is also exempted from sales tax.

Aircraft engines and complete parts are to be free under the British preferential tariff and to be dutiable at the rate of 7½ per cent under the intermediate tariff and 10 per cent under the general tariff until July 1, 1928.

4 p.m.

Ethylene glycol used in the manufacture of explosives is to be made free.

Drawbacks

It is proposed to grant the following drawbacks:

99 per cent on sugar used in the manufacture of loganberry wine. A similar drawback is now allowed on sugar used in making grape wine.

80 per cent on artificial silk tops and waste until January 1, 1928.

80 per cent on artificial silk yarns enumerated in Tariff Item 583 when imported prior to January 1, 1926, and further manufactured before January 1, 1927.

99 per cent on cellulose acetate in powder form when imported after April 30, 1927, and before November 1, 1927, and manufactured before December 1, 1927.

80 per cent on yarns produced from cellulose acetate, dry spun, when imported after October 31, 1926, and prior to August 1, 1927, and manufactured before September 1, 1927.

Direct Shipments

It is proposed that after the first of January, 1927, the benefits of the British preferential tariff shall apply only to goods conveyed direct without transhipment into a sea or river port of Canada.

Tax on Carbonic Acid Gas

It is proposed to repeal the tax on carbonic acid gas specified in Schedule II of the Special War Revenue Act.

Sales Tax Exemptions

The sales tax will be removed from a number of articles and will be reduced to 2½ per cent on canned fish.

Penny Postage

Of the taxes imposed in 1915 under the Special War Revenue Act, none affected all the people more than the fifty per cent increase on letter postage. Every person using the post office has contributed to that tax. The improved condition of our finances enables us to-day to announce that Canadians this year will celebrate Dominion Day by a return to two cent postage, or what is popularly known as penny postage.

Receipt Tax

The receipt tax has also been abolished.

The statement presented this afternoon reflects the growing prosperity of Canada. Relief, estimated at $25,000,000, affecting all classes, is given to the people by way of removal of and reductions in certain of our taxes. I should not wish it to be inferred that I ascribe all that has thus been achieved to the influence of government policy upon the development of our economic interests; though I am free to admit that had the trend been in an opposite direction there are those who would have been quick to hold government policy responsible. There are some who subscribe to the belief that prosperity and commercial expansion are solely a consequence of those of their own political affiliation being in power. There are others who place all blame and responsibility for isolated depressions on the government of the day. May we not look for the true statement of cause and effect somewhere between these two extremes? Personally, I hold to the belief that the progress of our spheres of life, whether in the basic industries, in the commercial world or in any of the varied interests which make up our national life, the eddying of the cycles of prosperity and depression find their origin partly in the world-wide conditions with which our interests must compete, and partly in the skill, sagacity and energy which we give to the performance of our national tasks.

I have the greater reason for mentioning this because of my belief that the Canadian people, in coping with the era of depression which followed the collapse of the post-war boom, have been unnecessarily hampered by a plague of gloom which shrouded the thoughts and utterances of too many Canadians, and but for which the prosperity of the moment would be even greater than it is to-day my privilege to record.

This era of depression has been overcome: all statistical compilations which mirror the year to year business of Canada prove it. Canada to-day is steadily growing more prosperous; there is less unemployment; the influx of settlers is growing; and with a hopeful spirit manifesting itself throughout Canada from coast to coast, the year 1926 is full of promise.

To-day in Canada we have problems, many problems, problems that demand the best we can give if we are to maintain a united Canada. There are those in the east who say the west—the great producing west—demands too much; and there are those in the west who say the east is selfish. Are not all such equally wrong? Is there not a truer and more generous sentiment? I believe that in both the east and the west, as elsewhere throughout our Dominion, there is, above all else, a strong, healthy Canadian spirit. Nowhere more than in the east and in the west are there men and women who are prepared to live and let live and to make reasonable concessions for the good of all Canada, or who share more gladly the wider vision of prosperous and happy homes in all our provinces. It is not by emphasizing our differences, whether they be of location or origin, that we shall attain the ideal progress which all have most at heart. It is by a union of all our forces under the inspiration of one ideal. Where shall we find a better motto than in the words, "A United and Prosperous Canada."

I beg to give notice that when the House resolves itself into committee, I shall move the following resolutions:

1. Resolved, That the Customs Tariff, 1907, be amended by repealing subsection one of section three and substituting therefor the following:

(1) The rates of customs duties, if any, set forth in column 1, "British Preferential Tariff", shall apply to goods the produce or manufacture of the following British countries when conveyed without transshipment from a port of any British country enjoying the benefits of the British preferential tariff into a sea or river port of Canada:

(a) the United Kingdom;
(b) the British colony of Bermuda;
(c) the British colonies commonly called the British West Indies, including the following,—
the Bahamas;
Jamaica;
Turks and Caicos Islands;
the Leeward Islands (Antigua, St. Christopher-Nevis, Dominica, Montserrat, and the Virgin Islands);
the Windward Islands (Grenada, St. Vincent and St. Lucia);
Barbadoes;
Trinidad and Tobago;
(d) British Guiana;
(e) British India;
(f) Ceylon;
(g) Straits Settlements;
(h) New Zealand;
(i) Union of South Africa;
(j) Southern Rhodesia;;
(k) any other British colony or possession admitted to the benefits of the British preferential tariff in Canada, in the manner hereinafter provided;

Provided, however, that goods entitled to the benefits of the British preferential tariff shall be accorded such benefits when such goods are shipped on a through bill of lading consigned to a consignee in a specified port in Canada when such goods are transferred at a port of a British colony or possession not enjoying the benefits of the British preferential tariff, and conveyed without further transhipment into a sea or river port of Canada.

2. Resolved, That schedule A to The Customs Tariff, 1907, as amended by chapter fifteen of the statutes of 1913, chapter forty-seven of the statutes of 1919, chapter twenty-seven of the statutes of 1921, chapter nineteen of the statutes of 1922, chapter forty-two of the statutes of 1923 and chapter thirty-eight of the statutes of 1924, be further amended by striking thereout tariff items : 7, 20a, 22, 23, 28, 30, 32, 39b, 77a, 90, 134, 135, 438, 448, 590a, 680a, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of said items, and to provide that the following items, enumerations and rates of duty be inserted in Schedule A:

Tariff Items	—	British Preferential Tariff	Intermediate Tariff	General Tariff
7	Meats, fresh, n.o.p., per pound	2 cts.	2½ cts.	3½ cts.
20a	Butter produced from the cocoa bean, per pound	Free	2 cts.	2 cts.
22	Preparations of cocoa or chocolate in powder form	22½ p.c.	27½ p.c.	35 p.c.
	or per pound	2 cts.	2½ cts.	3 cts.
	whichever rate returns the higher duty.			
23	Preparations of cocoa or chocolate, n.o.p., and confectionery, coated with or containing chocolate, the weight of the wrappings and cartons to be included in the weight for duty, per pound	2½ cts. and 20 p.c.	2½ cts. 27½ p.c.	2½ cts. 35 p.c.
28	Coffee, green, imported direct from the country of growth and production, and green coffee purchased in bond in the United Kingdom, per pound	Free	3 cts.	3 cts.
30	Ginger and spices, unground, n.o.p.	Free	12½ p.c.	12½ p.c.
32	Nutmegs and mace, whole or unground	Free	17½ p.c.	20 p.c.
39b	Arrowroot, per pound	Free	1¼ cts.	1¼ cts.

Tariff Items	——	British Preferential Tariff	Intermediate Tariff	General Tariff
42a	Table salt made by an admixture of other ingredients, when containing not less than ninety per cent of pure salt	5 p.c.	10 p.c.	15 p.c.
72b	Tree seeds for reforestation purposes only	Free	Free	Free
77a	Cocoa beans, not roasted, crushed or ground, per one hundred pounds	Free	$1.50	$2.00
90	Fruits, viz.:—Plantains, pineapples, pomegranates, guavas, mangoes, wild blueberries, wild strawberries and wild raspberries	Free	Free	Free
90b	Bananas	Free	Free	Free
	The Governor in Council may by Order in Council direct that there be substituted for tariff item 90b in Schedule A of The Customs Tariff, 1907, the enumerations of goods and the rates of duties of customs, if any, set opposite items 90c and 90d in Schedule A the following:—			
90c	Bananas, when imported from the place of growth by ship, direct to a Canadian port, per stem or bunch	Free	50 cts.	50 cts.
90d	Bananas, n.o.p., per stem or bunch	50 cts.	50 cts.	50 cts.
	From and after the publication of such Order in Council in the Canada Gazette, tariff item 90b as it appears in said schedule at the time of the passing of the Act founded on this Resolution shall be repealed and the provisions of tariff items 90c and 90d shall be substituted therefor.			
105a	Pineapples in air-tight cans or other air-tight packages, n.o.p., the weight of cans or other packages to be included in the weight for duty, per pound	½ ct.	2½ cts.	2½ cts.
134	All sugar above number sixteen Dutch standard in colour, and all refined sugars of whatever kinds, grades or standards, not covered by tariff item No. 135, and sugar syrups testing over fifty-six degrees of polarization, when not exceeding eighty-eight degrees of polarization, per one hundred pounds	83 cts.	$1.50	$1.50
	When exceeding eighty-eight degrees but not exceeding eighty-nine degrees, per one hundred pounds	85 cts.	$1.53	$1.53
	When exceeding eighty-nine degrees but not exceeding ninety degrees, per one hundred pounds	87 cts.	$1.55	$1.55
	When exceeding ninety degrees but not exceeding ninety-one degrees, per one hundred pounds	89 cts.	$1.58	$1.58
	When exceeding ninety-one degrees but not exceeding ninety-two degrees, per one hundred pounds	91 cts.	$1.62	$1.62
	When exceeding ninety-two degrees but not exceeding ninety-three degrees, per one hundred pounds	93 cts.	$1.65	$1.65
	When exceeding ninety-three degrees but not exceeding ninety-four degrees, per one hundred pounds	95 cts.	$1.68	$1.68
	When exceeding ninety-four degrees but not exceeding ninety-five degrees, per one hundred pounds	97 cts.	$1.70	$1.70
	When exceeding ninety-five degrees but not exceeding ninety-six degrees, per one hundred pounds	99 cts.	$1.74	$1.74
	When exceeding ninety-six degrees but not exceeding ninety-seven degrees, per one hundred pounds	$1.01	$1.77	$1.77
	When exceeding ninety-seven degrees but not exceeding ninety-eight degrees, per one hundred pounds	$1.03	$1.80	$1.80
	When exceeding ninety-eight degrees but not exceeding ninety-nine degrees, per one hundred pounds	$1.09	$1.89	$1.89
	When exceeding ninety-nine degrees, per one hundred pounds	$1.09	$1.89	$1.89
	Provided that refined sugar shall be entitled to entry under the British Preferential Tariff upon evidence satisfactory to the Minister of Customs and Excise, that such refined sugar has been manufactured wholly from raw sugar produced in the British colonies and possessions, and not otherwise.			
	Provided further that sugar imported under this item shall not be subject to special duty in excess of three-fourths of one cent per pound			
135	Sugar above number sixteen Dutch standard in colour when imported or purchased in bond in Canada by a recognized sugar refiner, for refining purposes only, under regulations by the Minister			

Tariff Items	——	British Preferential Tariff	Intermediate Tariff	General Tariff
135	of Customs and Excise; and sugar, n.o.p., not above number sixteen Dutch standard in colour, sugar drainings or pumpings drained in transit, melado or concentrated melado, tank bottoms, sugar concrete, and molasses testing over fifty-six degrees and not exceeding seventy-six degrees, when not exceeding seventy-six degrees of polarization, per one hundred pounds	20·627 cts.	70·851 cts.	70·851 cts.
	When exceeding seventy-six degrees but not exceeding seventy-seven degrees, per one hundred pounds	20·647 cts.	73·213 cts.	73·213 cts.
	When exceeding seventy-seven degrees but not exceeding seventy-eight degrees, per one hundred pounds	20·667 cts.	75·574 cts.	75·574 cts.
	When exceeding seventy-eight degrees but not exceeding seventy-nine degress, per one hundred pounds	20·687 cts.	77·936 cts.	77·936 cts.
	When exceeding seventy-nine degrees but not exceeding eighty degrees, per one hundred pounds	20·707 cts.	80·298 cts.	80·298 cts.
	When exceeding eighty degrees but not exceeding eighty-one degrees, per one hundred pounds	20·727 cts.	82·659 cts.	82·659 cts.
	When exceeding eighty-one degrees but not exceeding eighty-two degrees, per one hundred pounds	20·747 cts.	85·021 cts.	85·021 cts.
	When exceeding eighty-two degrees but not exceeding eighty-three degrees, per one hundred pounds	20·767 cts.	87·383 cts.	87·383 cts.
	When exceeding eighty-three degrees but not exceeding eighty-four degrees, per one hundred pounds	20·857 cts.	90·040 cts.	90·040 cts.
	When exceeding eighty-four degrees but not exceeding eighty-five degrees, per one hundred pounds	20·947 cts.	92·697 cts.	92·697 cts.
	When exceeding eighty-five degrees but not exceeding eighty-six degrees, per one hundred pounds	21·036 cts.	95·353 cts.	95·353 cts.
	When exceeding eighty-six degrees but not exceeding eighty-seven degrees, per one hundred pounds	21·126 cts.	98·010 cts.	98·010 cts.
	When exceeding eighty-seven degrees but not exceeding eighty-eight degrees, per one hundred pounds	21·512 cts.	$1·00963	$1·00963
	When exceeding eighty-eight degrees but not exceeding eighty-nine degrees, per one hundred pounds	21·897 cts.	$1·03915	$1·03915
	When exceeding eighty-nine degrees but not exceeding ninety degrees, per one hundred pounds	22·872 cts.	$1·07457	$1·07457
	When exceeding ninety degrees but not exceeding ninety-one degrees, per one hundred pounds	23·848 cts.	$1·11000	$1·11000
	When exceeding ninety-one degrees but not exceeding ninety-two degrees, per one hundred pounds	24·823 cts.	$1·14542	$1·14542
	When exceeding ninety-two degrees but not exceeding ninety-three degrees, per one hundred pounds	25·799 cts.	$1·18085	$1·18085
	When exceeding ninety-three degrees but not exceeding ninety-four degrees, per one hundred pounds	26·762 cts.	$1·21627	$1·21627
	When exceeding ninety-four degrees but not exceeding ninety-five degrees, per one hundred pounds	27·737 cts.	$1·25170	$1·25170
	When exceeding ninety-five degrees but not exceeding ninety-six degrees, per one hundred pounds	28·712 cts.	$1·28712	$1·28712
	When exceeding ninety-six degrees but not exceeding ninety-seven degrees, per one hundred pounds	29·688 cts.	$1·32255	$1·32255
	When exceeding ninety-seven degrees but not exceeding ninety-eight degrees, per one hundred pounds	30·664 cts.	$1·35798	$1·35798
	Over ninety-eight degrees, per one hundred pounds. Provided that sugar imported under this item shall not be subject to special duty.	35·606 cts.	$1·47606	$1·47606
156b	Angostura bitters, the produce or manufacture of any of the colonies enumerated in section 8A of The Customs Tariff, 1907, when conveyed without transhipment by ship direct into a sea or river port of Canada, per gallon	$5.00	—	—
216a	Cresylic acid when imported for use only by manufacturers in the manufacture of preparations for disinfecting, dipping and spraying	Free	Free	Free
295a	Zirconium silicate	Free	Free	Free
384c	Rolled sheets of iron or steel coated with tin, of a class or kind not manufactured in Canada	Free	5 p.c.	5 p.c
438	Locomotives and motor cars for railways and tramways	22½ p.c.	30 p.c.	35 p.c.
438a	Automobiles and motor vehicles of all kinds, n.o.p.	15 p.c.	25 p.c.	27½ p.c.

Tariff Items	——	British Preferential Tariff	Intermediate Tariff	General Tariff
438b	Automobiles for conveying passengers only, valued at retail with standard equipment complete at not more than twelve hundred dollars each; motor cars or motor trucks (not for railways or tramways) for carrying goods only; motor cycles..	12½ p.c.	17½ p.c.	20 p.c.
448	Spraying machines, fruit or vegetable grading machines, incubators for hatching eggs, brooders for rearing young fowl, pruning hooks, pruning shears, hay loaders, potato-diggers, fodder or feed cutters, grain crushers, fanning mills, hay tedders, farm or field rollers, post hole diggers, snaths, milking machines, milking machine attachments; centrifugal machines for testing butter fat, milk or cream; pasteurizers for dairying purposes; equipment for generating electric power for farm purposes only, viz: engine, generator, storage battery and switch board; stumping machines, and other agricultural implements, n.o.p., and complete parts of articles specified in this tariff item.	5 p.c.	10 p.c.	10 p.c.
453f	Iron or steel castings in the rough, not further finished than with the burrs removed, when imported by manufacturers of shot guns for use only in their own factories, under regulations prescribed by the Minister of Customs and Excise.....	5 p.c.	7½ p.c.	10 p.c.
460e	Belt and cap lamps and parts thereof to be used exclusively in a mine; parts of miners' safety lamps, n.o.p.....	Free	Free	Free
469b	Machinery and apparatus and parts thereof for use only in producing unrefined oil or fertilizer from shales, not to include motive power of a class or kind made in Canada.....	Free	Free	Free
502d	Gun stocks and fore-ends for shot guns of walnut in the rough, not further manufactured than bored and channelled, when imported by manufacturers of shot guns for use only in the manufacture of shot guns in their own factories.....	10 p.c.	12½ p.c.	15 p.c.
590a	Aeroplanes and other aircraft and complete parts thereof, n.o.p., under regulations prescribed by the Minister of Customs and Excise.....	15 p.c.	25 p.c.	27½ p.c.
590c	Engines and complete parts thereof, when imported for use only in the equipment of aircraft.....	Free	7½ p.c.	10 p.c.
	On and after 1st July, 1928.....	15 p.c.	25 p.c.	27½ p.c.
626a	Men's and boys' hats made of hatters' felt in the rough, not blocked or further finished, when imported by manufacturers of men's and boys' hats for use only in the manufacture of such hats in their own factories.....	15 p.c.	20 p.c.	25 p.c.
664b	Ethylene glycol, when imported by manufacturers of explosives, for use only in the manufacture of such articles in their own factories.....	Free	Free	Free
680a	Sponges of marine production.....	Free	17½ p.c.	17½ p.c.

3. Resolved, That schedule B to The Customs Tariff, 1907, as amended by chapter thirty-eight of the statutes of 1924, be further amended by striking thereout item 1031, the enumeration of goods, and the rate of drawback to the said item and to provide that the following items, enumerations and rates of drawback of customs duties be inserted in said schedule B:

Tariff Items	Goods	When Subject to Drawback	Portion of Duty (Not including Special Duty or Dumping Duty) Payable as Drawback
1050	Sugar	When used in the manufacture of loganberry wine. Provided that drawback shall not be payable in respect of any raw sugar, except raw sugar produced in a British country	99 p.c.
1051	Artificial silk tops and waste or artificial fibre silk tops and waste enumerated in tariff item 583a	When further manufactured after the 31st day of December, 1925 and prior to the 1st day of January, 1928	80 p.c.
1052	Artificial sik yarns or filaments enumerated in tariff item 583aa, imported prior to the first day of January, 1926	When further manufactured prior to the first day of January, 1927	80 p.c.
1053	Cellulose acetate in powdered form imported after the thirtieth day of April, 1927, and prior to the first day of November, 1927	When imported by manufacturers and further manufactured in their own factories before the first day of December, 1927	99 p.c.
1054	Yarns produced from cellulose acetate, dry spun, not more advanced than singles, when imported after the thirty-first day of October, 1926, and prior to the first day of August, 1927	When imported by manufacturers and further manufactured in their own factories before the first day of September, 1927	80 p.c.
1055	Materials, including all parts	When used in the manufacture of goods enumerated in tariff items 438a and 438b. Provided that no drawback shall be paid under this item unless at least 50 per cent of the cost of the finished article has been produced in Canada	25 p.c.

4. Resolved, That any enactment founded on resolution number one shall be deemed to have come into force on the first day of January, one thousand, nine hundred and twenty-seven, and to have applied to goods imported under the provisions of said resolution number one on and after that day.

5. Resolved, That any enactment founded on the foregoing resolutions number two and three shall be deemed to have come into force on the sixteenth day of April, one thousand, nine hundred and twenty-six, and to have applied to all goods mentioned in the foregoing resolutions imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and to provide:—

1. That subsection five of section thirteen of the said act be repealed and the following substituted therefor:—

"(5) On every post card for transmission by post for any distance within Canada and on every letter and post card posted at and intended for delivery through the same post office, there shall be levied and collected a tax of one cent in addition to postage payable in the form of a postage stamp to be affixed thereto at or before the time of posting the letter or post card; but such tax shall not be levied or collected on any letter or post card entitled to the privilege of free transmission under the provisions of The Post Office Act. The stamp so affixed shall be cancelled by the postmaster or other officer of the Post Office Department whose duty it is to cancel the postage stamps affixed to such letters or post cards in prepayment of postage."

2. That section fourteen of the said act be repealed.

3. That paragraph (a) of subsection one of section nineteen BB of the said act as enacted by chapter fifty of the statutes of 1921, be repealed and the following substituted therefor:—

"(a) A tax on playing cards for every fifty-four cards or fraction of fifty-four in each package—ten cents per pack."

4. That section nineteen BBB of the said act be amended by adding after subsection two thereof the following as subsection two A:—

"(2A) In case any person other than the manufacturer or producer or importer or transferee or licensed wholesaler or jobber hereinbefore mentioned acquires from or against any one of these persons the right to sell any goods, whether as a result of the operation of law or of any transaction not taxable under this section, the sale of such goods by him shall be taxable as if made by the manufacturer or producer or importer or transferee or licensed wholesaler or jobber as the case may be and the person so selling shall be liable to pay the tax."

5. That subsection four of section nineteen BBB of the said act, being the list of excepted articles not liable to the consumption or sales tax, be amended by adding thereto the following:—

"Pot barley; pearl barley; split peas; goods enumerated in customs tariff items 469b, 700, 701, 702, 703, and 704."

6. That subsection five of section nineteen BBB of the said act, being the list of articles liable to only fifty per cent of the consumption or sales tax, be amended by adding thereto the following:—

"Fish, or products thereof, canned but not medicated."

7. That schedule two to the said act be amended by striking thereout the last five lines respecting carbonic acid gas which were added to the said schedule by section twelve of chapter seventy of the statutes of 1923.

8. That a refund of the amount of taxes paid under sections sixteen A, nineteen B, nineteen BB, and nineteen BBB of the said act be granted to a manufacturer, producer, wholesaler, jobber, or other dealer on goods hereafter sold as ships' stores.

9. That any enactment founded on paragraph one of this resolution shall come into force on the first day of July, one thousand, nine hundred and twenty-six.

10. That any enactment founded on paragraphs two and eight of this resolution shall be deemed to have come into force on the sixteenth day of April, one thousand, nine hundred and twenty-six.

11. That any enactment founded on paragraphs three, five, six, and seven of this resolution shall be deemed to have come into force on the sixteenth day of April, one thousand, nine hundred and twenty-six and to have applied to all goods imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for which no entry for consumption was made before that date.

Resolved, That it is expedient to amend The Income War Tax Act, 1917, and to provide.

1. That the amount of income exempted from the tax be increased to three thousand dollars in the case of a married person or householder, or any other person supporting certain relatives as at present set forth in the act and to fifteen hundred dollars in the case of other persons;

2. That where a husband and wife have each a separate income in excess of fifteen hundred dollars each shall receive an exemption of fifteen hundred dollars in lieu of the exemption set forth above;

3. That the parents may arrange between themselves as to how the exemption for each dependent child is to be allotted;

4. That in respect of income for the year 1925, and each year thereafter the rates of tax at present imposed be repealed and the following substituted in lieu thereof:—

Upon the amount of the income in excess of the statutory exemptions.

				p.c.
On the First $2,000 or any portion thereof				2
On the amount in excess of	$ 2,000	but not in excess of	$ 3,000	3
"	3,000	" "	4,000	4
"	4,000	" "	5,000	5
"	5,000	" "	6,000	6
On the amount in excess of	$ 6,000	but not in excess of	$ 7,000	7
"	7,000	" "	8,000	8
"	8,000	" "	9,000	9
"	9,000	" "	10,000	10
"	10,000	" "	11,000	11
"	11,000	" "	12,000	12
"	12,000	" "	13,000	13
"	13,000	" "	14,000	14
"	14,000	" "	15,000	15
"	15,000	" "	16,000	16
"	16,000	" "	17,000	17
"	17,000	" "	18,000	18
"	18,000	" "	19,000	19
"	19,000	" "	20,000	20
"	20,000	" "	25,000	21
"	25,000	" "	30,000	22
"	30,000	" "	35,000	23
"	35,000	" "	40,000	24
"	40,000	" "	45,000	25
"	45,000	" "	50,000	26
"	50,000	" "	55,000	27
"	55,000	" "	60,000	28
"	60,000	" "	65,000	29
"	65,000	" "	70,000	30
"	70,000	" "	75,000	31
"	75,000	" "	80,000	32
"	80,000	" "	85,000	33
"	85,000	" "	90,000	34
"	90,000	" "	95,000	35
"	95,000	" "	100,000	36
"	100,000	" "	110,000	37
"	110,000	" "	120,000	38
"	120,000	" "	130,000	39
"	130,000	" "	140,000	40
"	140,000	" "	150,000	41
"	150,000	" "	175,000	42
"	175,000	" "	200,000	43
"	200,000	" "	250,000	44
"	250,000	" "	300,000	45
"	300,000	" "	350,000	46
"	350,000	" "	400,000	47
"	400,000	" "	450,000	48
"	450,000	" "	500,000	49
"	500,000			50

The rates set forth in this subsection shall not apply to corporations or joint stock companies.

5. that the rate of tax applicable to corporations be reduced from ten per centum to nine per centum,

6. that the five per cent additional tax applicable to incomes of five thousand dollars or more be repealed,

7. that the income of a personal corporation (being a corporation controlled by one person or his family, the income of which is derived from investments or dealing in investments) shall each year be deemed to be distributed as a dividend to the shareholders and taxable accordingly,

8. that the carrying charges or expenses of unproductive property or assets not acquired for the purposes of a trade, business or calling or of a liability not incurred in connection with a trade, business or calling shall not be allowed as a deduction in determining income,

9. that any distribution or advance made to the shareholders of a corporation shall be deemed to be a dividend to the extent that such corporation has on hand undistributed income and such dividend shall constitute income of the shareholder of the year during which the distribution or advance is made,

10. that where a corporation having undistributed income on hand reduces its capital stock, then to the extent that such corporation has on hand undistributed income the amount received by the shareholder by virtue of the reduction of the capital shall be deemed to be a dividend and to be income received by the shareholder,

11. that where a corporation having undistributed income on hand redeems its shares at a premium the premium shall be deemed to be a dividend and to be income received by the shareholder,

12. that where a person or persons, owning shares of a corporation which has undistributed income on

hand, transfer such shares or a portion thereof to a second corporation promoted at his or their instance or controlled by him or them, which second corporation subsequently receives a dividend from the first mentioned corporation and, within a period of three years from the date of such share transfer, applies the income thus received, in whole or in part, directly or indirectly,

(a) in payment of the shares purchased by the second corporation from such person or persons or,

(b) in the discharge of any liability incurred to such person or persons by reason of and in connection with the purchase of such shares or,

(c) in the discharge of a loan obtained by the second company for the purpose of paying for such shares,

then such person or persons shall be taxable in full in respect of such dividend as if he or they had received it in the year that the first mentioned corporation declared the dividend,

13. that when, as a result of the reorganization of a corporation or the readjustment of its capital stock the whole or any part of its undistributed income is capitalized, the amount capitalized shall be deemed to be distributed as a dividend during the year in which the reorganization or readjustment takes place and the shareholders of the said corporation shall be deemed to receive such dividend in proportion to their interest in the capital stock of the corporation or in the class of capital stock affected and,

14. that the income of a non-resident person or a non-resident corporation which consists exclusively of earnings derived from the operation of a ship or ships registered under the laws of a foreign country which grants an equivalent exemption to residents of Canada and to corporations organized in Canada shall not be liable to taxation.

15. that in respect of income for the year 1925 and each year thereafter the provisions of paragraph (d) of subsection one of section three of the said act as enacted by section two of chapter fifty-five of the statutes of 1919 shall not apply.

Hon. HUGH GUTHRIE (South Wellington): Mr. Speaker, my first word upon this occasion must be to express the regret which I feel and which I have no doubt is felt in every quarter of the House that the hon. member for West York (Sir Henry Drayton), who usually acts as financial critic on occasions such as the present, is absent from the House at this time through indisposition. It is a great loss to the House that the hon. member for West York is not present upon this occasion. He has a familiarity with national finance which few of us possess. He has a great grasp of all things pertaining to the Department of Finance and he is intimate with the various details of that department to an extent that few of us can boast. Therefore, I feel under some disadvantage at the present moment, and I sincerely ask the indulgence of the House as I proceed if in the remarks which I propose to deliver this afternoon I am guilty of sins either of commission or omission. But I will do my best to offer such criticism as appears to me to be proper in regard to the budget statement which has just been delivered to the House by the Minister of Finance of Canada (Mr. Robb).

[Mr. Robb.]

There is apparently much jubilation on the government side this afternoon upon the presentation of the annual budget. Let me say that we on this side of the House are prepared to tender our congratulations upon any real achievement of the minister or of the government in respect to the financial condition which has prevailed and which still prevails in the Dominion of Canada. The jubilation is not felt exclusively upon the other side of the House; but if we refrain from giving this government credit for the satisfactory statement which in some respects has been presented to the House to-day, if we are inclined to think that the credit is due in the first instance to a munificent Providence and in the second instance to the virility, strength and efforts of the Canadian people, I think we shall not be far amiss having in mind the modest remarks with which the Minister of Finance concluded his address.

We realize quite as fully as does the government that this country has within the past season been blessed by Providence much more abundantly than in former years; yes, most marvellously blessed have we been in the abundance of crop which this country has yielded. I believe I am within the mark when I say that Providence has blessed Canada during the past season with a wheat yield in the western provinces unsurpassed both in quality and quantity, a yield which is to-day commanding a good price in the markets of the world and this fact constitutes the most important feature of our commercial success. I do not believe I am far wrong in making that statement. But fortunately it is not only in the prairie provinces of the west that Providence has blessed us. Ontario, this great central province of Canada, has also been blessed with a wonderful harvest. So far as Providence has seen fit to act in the matter, He has poured out on this country an abundance which we have not enjoyed for many years past and we are to-day reaping the benefits.

I believe the situation which I have tried to portray to the House has been reflected in every walk, in every avenue, in every branch of the industrial life of the people of the Dominion of Canada, and as a result we have had some return to a moderate prosperity which has not existed in this country during the past four years. I do not suggest for a moment that the return has been complete; I do not suggest for a moment that the return has been general throughout the Dominion; but I say this—and this is all I will say—that conditions are better in Canada to-day than they have been during the past

four years. We on this side of the House congratulate the people of Canada on the improved condition which has recently arisen as compared with the unfortunate state of affairs that has prevailed during the past four years. Now, if we are not inclined to bestow much of the credit for this improvement on the government of the day, no one can complain. This country has improved to some extent, not on account of any effort of the government but in spite of the government. For if the prosperity of a country was ever hindered or delayed by an organization of human beings this country has been so hindered and delayed through the administration of the King government.

The Minister of Finance comes to this chamber to-day and presents a budget which I think we may say is from the financial point of view, reasonably satisfactory. The figures which he has just given to the House are figures on which I think we may fairly congratulate him. The outstanding points in his budget presentation are certainly two: he announces, in the first place, a reduction in income tax, and in the second place a reduction in the duty on motor trucks and automobiles.

An hon. MEMBER: What about postage?

Mr. GUTHRIE: I will come to that too. I have only this to remark upon the financial statement submitted to the House to-day. While there is an apparent balance in the year's operations—

Mr. ROBB: It is real.

Mr. GUTHRIE: —amounting, I believe, to about $22,300,000 we must observe that the expenditure of the last year was greater than that of the year before. The expenditure proposed by the government for the present fiscal year is also greater than the expenditure of last year. So that the government year by year is progressing on an ascending scale in the matter of national expenditures. If there is one thing which the people of this country demand at the present time, I think it is that the expenditure of the national government be cut down. I know of no cry throughout the province of Ontario more persistent than that government economy be exercised to the very last degree. We hear that cry in our provincial legislature, and we are pleased to note that the government of Ontario has put the finances of the province on such a footing that within a reasonable time that province will regain its former financial stability. We hear the same cry in our municipalities, where there is a call for greater economy. On the other hand, in the public services of Canada, there has been year by year under this government an annual increase in our expenditure. I make that statement without fear of contradiction. Anyone who will take the trouble to examine the estimates laid on the table of the House for the present session will find, upon page after page of those estimates, thousands, tens of thousands, hundreds of thousands of dollars of proposed expenditures which might well be stricken out, without any great inconvenience or any injury to the public service. I do not say that all the expenditures proposed in the estimates are unjustifiable; certainly not. I do say, however, that there are millions of dollars of suggested expenditures which might very well be deferred for some years to come without any inconvenience and with no ill effects on the Dominion.

The minister has at last begun to reduce the taxation from which the people of Canada suffer. It is a hard task and I commend him for what he has done. Although I have not all the figures before me he proposes, I believe, something substantial in the way of income tax reduction. But I may remind the Minister of Finance that he is a member of a government which owes the people substantial reduction in taxation. He is a member of a government which has greatly increased the direct taxation in the four years that have passed, and the time is certainly at hand now when a substantial reduction should take place. Let me point out to the minister that when the Meighen government went out of power we had a sales tax of one and one-half per cent on the manufacturer and one and one-half per cent on the jobber, which tax during the first year of the King administration was increased to four and a half per cent. During the next year it was increased to six per cent. Then when it was found that the tax had become so high that it actually impeded trade in Canada it was reluctantly reduced to five per cent. That was one increase in taxation on the people of the country which materially added to their burdens; and the King administration was responsible for that increase. I would point out to the government, further, that when they took office there was in force a two cent cheque tax which the King administration promptly increased to one dollar in respect of large cheques, thus raising an enormous additional revenue and greatly increasing the burdens of the country. This was the second increase. I point out, again, that when the King administration took charge of the affairs of the country we had no such thing as a tax on receipts; that was a

device of hon. gentlemen opposite. It was the third increase. And now the time has come when the Minister of Finance announces, as though he had achieved a triumph, that he is going to take off the tax on receipts. That tax should never have been imposed in the first instance; it placed upon the people of Canada an unnecessary burden which, together with the other taxes I have mentioned, has increased from year to year as I can show from the figures of the government.

When we consider that the country has had the advantage of a favourable crop with high prices for farm produce prevailing, and when we reflect that general business has improved throughout Canada and that the government is in no immediate need of money, should special praise be bestowed upon a government for endeavouring to do now what it should have done one, two or three years ago? I said that the government had materially increased the burden of taxation in this country, and I make that statement on the strength of the government's own report. At page 47 of this year's Public Accounts there is a statement showing what the taxes have been. In the last year of the Meighen government, the amount collected in sales tax, cheque tax, transportation tax, and so forth—all the taxes that were in force then—was $73,000,000 odd. During the first year of the King administration those collections, increased to $106,000,000 odd. During the next year that amount had again risen to $120,000,000 odd. Last year there was a falling off because business was not being done in the country and they could not raise the revenue—there was a falling off in these taxes down to $85,000,000 odd. At the close of the present fiscal year, March 31, last, as announced to-day by the Minister of Finance, these taxes amounted to some $95,000,000, an increase of $25,000,000 over the highest amount ever received by the Meighen administration under this branch of taxation.

Now, at the last general election the people made a demand for reduction of taxes and the government has at last heard that demand, and recognizing its justice has granted a partial measure of relief. So far as the income tax reduction is concerned, we welcome it; and the people will rejoice in it. But it is very late in coming. It should have come one, two or three years ago. And it could have come one, two or three years ago if the government had properly administered the affairs of the country, if it had pursued from the time it took office proper rules of economy, if it had cut down various expenditures,—I say, Sir, that if the government had properly administered the various departments of state millions and millions, yes, perhaps hundreds of millions of dollars of taxation could have been taken off one, two or three years ago. If the administration of the Customs department had been what it should have been there would have been an increase of revenue from customs and excise duties sufficient to have allowed large reductions in taxation. I well recall, Mr. Speaker, the statement made in this House about a year ago by the Prime Minister when he induced us to grant him a large sum of money, $350,000 I think it was,—for what purpose? Because, he said, serious smuggling and other frauds on the customs were going on throughout the length and breadth of Canada and millions and millions of dollars were being lost to the treasury. Lost through what? Through lax administration, through carelessness in administering the affairs of that department, millions and millions of dollars annually were lost to the treasury, lost to the people. Had the administration of that department been what the country was entitled to expect, this much delayed announcement of tax reduction might have been made, one, two or three years ago, and the income tax cut for the benefit of the taxpayers instead of money being diverted into the pockets of smugglers both in this country and in the United States.

There are matters, Mr. Speaker, in the budget speech upon which, as I said before, I think the Minister of Finance may well be congratulated. The reduction in postage should naturally take place. This announcement has likewise been long delayed. The Post Office Department has shown a favourable balance for some time past. During the war it was necessary to increase the rate from two cents to three cents for the purpose of the treasury. But the war has been over for many years now. Postage is something which appeals to every member in the community, it directly affects every citizen, and I regret that the action of the government in reducing the postage rate has been somewhat tardy. Year after year the post office has produced an abundant revenue, year after year it has shown a handsome surplus. Now, Sir, I am one of those who believe that the post office is established for the convenience of the people, not as a money-making agency of government, and as soon as the post office can be maintained upon the basis of actual cost then the postage rates should be brought down to an absolute minimum. For the last four years, as I say, a handsome surplus has been obtained from the Post Office Department. Any time within that period

this reduction might have taken place. To-day we have a welcome, though a very tardy, announcement that the rate of postage is to be reduced from three cents to two cents.

But, Mr. Speaker, I fancy that when the people of the Dominion to-morrow read in the newspapers the budget statement of the Minister of Finance, the portions which will most attract attention, particularly the people in the provinces of Ontario and Quebec and eastern Canada generally, will be those in which the minister deliberately interferes with our fiscal policy. We in the province of Ontario represent more than one-third of the population of the Dominion, and we contribute to the treasury more than one-half of its receipts. Last year in customs duties alone out of a total revenue of $108,000,000 Ontario contributed no less than $56,000,000. Therefore Ontario has a vital interest in the affairs of this country as transacted in this parliament. But we are in the strange and unsatisfactory position to-day that we have in this chamber representing this great province of Ontario but one single member of the cabinet, and he a new-comer. We are under a serious disadvantage in this respect in the province of Ontario. The great province of Saskatchewan is represented upon the floor of this House by three ministers, all more or less pledged in one direction in regard to fiscal matters; all heading for the free trade goal, and we have at the same time to represent the province of Ontario but a single minister. He may be very able, he may be very capable, but I think the House will agree with me that the importunity of the present government proved the opportunity of the Minister of Labour (Mr. Elliott). I think he can sit in his chair and smile and say, "It is an ill wind that blows nobody good." I think also in relation to him we can all realize the truth of another old adage: Some men are born to greatness, some men achieve greatness, and some men have greatness thrust upon them.

Now, Sir, I have nothing but the highest opinion and regard for my hon. friend the Minister of Labour. I have known him for many years as a very able, and a very active lawyer, a credit to his profession. I have known him chiefly as a corporation lawyer in the city of London; but I should never have dreamt of him as a man to represent labour; I should never have dreamt of him as a man so soon to become Acting Minister of Health; I should never have selected him as a man to become Acting Minister of the Department of Soldiers' Civil Re-establishment as I noticed announced in the papers this morning. Well, honours are falling thick and fast upon him. I wonder if he can successfully overtake the manifold duties of the various offices he is now called upon to discharge. Who knows but what he will soon be designated as Acting Minister of Trade and Commerce, then as Acting Postmaster General, or Secretary of State? But the fact I wish to emphasize is this, that the great province of Ontario is not fairly or adequately represented in this parliament to-day.

Mr. DUNNING: This parliament! Hear, hear.

Mr. GUTHRIE: Perhaps I made a slip, and my hon. friend the Minister of Railways seems to have taken the keenest enjoyment of it; let him enjoy it. Now I will repeat what I intended to say, that the great province of Ontario is not fairly represented in the government of this country. Nothing is more noticeable than this, and the direct result of that failure to give Ontario proper representation in the cabinet, is shown in those changes in the tariff schedules announced by the Minister of Finance to-day. Sir, without disrespect, speaking for the province of Ontario, I say that we are a great industrial province; we have a tremendous force of organized labour in this province, and we know where the labouring men stand in regard to the question of the reduction of duty on motor cars. I ask my hon. friend the Minister of Labour if he believes he truly represents the labouring men of Ontario in respect to the reductions announced to-day. Why, Sir, he sits around the council board confronted by the Prime Minister of this country, from the free trade province of Saskatchewan, and himself at heart a free trader. He sits at that council board beside the Minister of Agriculture (Mr. Motherwell) and the Minister of the Interior (Mr. Stewart, Edmonton), men who are ready to sound the death knell of the doctrine of protection. He sits there beside another great free trade champion from Saskatchewan, the new Minister of Railways and Canals, who announced at a public hearing before a commission in the west that he was "prepared to pay those eastern provinces in their own coin"; he was going to get even with them for the wrongs they had inflicted upon the west.

Mr. DUNNING: On a point of order, Mr. Speaker; I made no such statement on any occasion as that now attributed to me. I would ask my hon. friend to withdraw his statement.

Mr. GUTHRIE: Certainly I will withdraw it. I took the statement from a speech reported in Hansard during the present session, and it purports to be a statement made before the Grain Inquiry Commission by the minister. I regret very much if I am in error, and I wish to withdraw the remark, but the statement will be found at page 878 of Hansard for this session.

Mr. DUNNING: What is the date?

Some hon. MEMBERS: Read it.

Mr. GUTHRIE: The date is February 10.

Mr. DUNNING: I was not then in the House. If I had been I should have entered a denial then to any such words as those attributed to me by my hon. friend. I trust that he will take my word that on no occasion did I make a statement such as that to which he has referred.

Mr. GUTHRIE: I withdraw the words most cheerfully; I would not care to misrepresent my hon. friend in the slightest degree. But the statement is in Hansard and I will read it. If it is wrong it should be withdrawn.

This is the first opportunity to make the people of the east suffer for what they have given the west for the last forty years, and I think we should give them a dose of their own medicine now that they want our coal.

Mr. DUNNING: Who made the statement?

Mr. GUTHRIE: One of the hon. members for Calgary.

Mr. DUNNING: I do not know whether I would be in order in also asking him to withdraw it.

Mr. GUTHRIE: At all events we know quite well the views of the Minister of Railways upon the fiscal question; we know where he stands; we know how he has voted in the legislature of the province of Saskatchewan, and now I ask my hon. friend the Minister of Labour whether, representing the labouring people of this province as well as the rest of the people, he placed the facts in regard to the motor industry fairly before his colleagues, and whether they voted him down or turned him down. He must know the views of labouring men upon this very question. I am going to place on Hansard an article touching this question which appeared in The Labour Leader of April 9 last, and I commend this to the attention of the Minister of Labour, to my hon. friends from Winnipeg (Mr. Woodsworth and Mr. Heaps), and to the hon. member for Kenora-Rainy River (Mr. Heenan), because they are all named in the article, which is as follows:

The working men of Canada never had a bed of roses to repose on, nor do they want one, but at least are entitled to and expect a square deal from the government of Canada.

There is 11,389 workers employed in the Willys-Overland, Limited, West Toronto; Durant Motors of Canada, Leaside; General Motors of Canada, Limited, Oshawa; Ford Motor Car Company of Canada, Limited, Ont.; Dodge Bros. of Canada, Limited, Toronto; Studebaker Corporation of Canada, Limited, Walkerville, and several assembly plants of the automotive industry located in various Canadian centres have just reason to worry these days and appeal to Canadians generally to rally to their support to try and prevent the Dominion government from passing legislation to take the duty off motor cars made in the United States, so as to reduce their selling price in the Canadian market.

The 11,389 men employed in Canadian motor car factories during 1925 received $17,595,282.44 in wages. Again there are some 8,000 additional men employed in tire factories and other plants that make parts and accessories for Canadian motor car plants. We have not the wage bill of these extra 8,000 men.

The Canadian motor car manufacturers pay annually to the government about seven and one-half million dollars duty on material they import. By abolishing the duty on motor cars, this money would be lost to the Dominion treasury.

This legislation is being introduced to appease the western Progressives, and they want it so badly that they apparently do not care the injury it will inflict on the men employed in the Canadian automobile manufacturing plants. This is absolutely selfish legislation and there is no justification whatever for it.

Jobs are scarce enough in Canada to-day without enacting legislation that will take jobs away from thousands of Canadian industrial workers. Besides the men employed in the above-named concerns, there are thousands of other men working in factories that make parts for these automobile manufacturers, as well as men in paint and varnish factories, and the hundreds that are making motor car tires in the tire factories of this Dominion. Were the thousands of motor cars that are now made in Canada to be replaced by those made in the United States, they would certainly come to Canada with tires on them and thus add another army to the unemployed.

The sale of motor cars in Canada has not been retarded by the few dollars extra that Canadians have had to pay in the past, as the streets of our cities are to-day crowded with motor vehicles, and everyone knows that the motor industry has been a God-send to the mechanics of Canada. Canadians, therefore, cannot afford to sit idly by and see the jobs of these men slaughtered by the introduction of legislation to remove the present duty on motor cars of the smaller and medium priced varieties.

Eighty-five per cent of the employees of Canadian motor car industries are married men, with families dependent upon them. Must these men, women and children suffer to provide a reduction in price of motor cars to western farmers and other Canadians who are imbued with such selfishness.

We claim it would be an outrage and we appeal to Canadians in every walk of life to get busy and write protests to the government at Ottawa before this legislation is passed. The government has appointed a Tariff board, so why not let this new board report on the quesetion before any legislation is introduced? This would at least give the working men

of Oshawa, Toronto, Leaside and Ford an opportunity of presenting their case on such a vital question.

We believe the members of the government should be big enough Canadians to overlook the few dollars extra on each car and consider the jobs and homes of the thousands who are dependent on this industry for their citizenship. No citizen will leave Canada if the price of cars remains where it is to-day, but if the duty is removed thousands will have to leave to obtain employment to look after the wants of themselves and their families.

This is an opportunity for Messieurs J. S. Woodsworth, M.P., A. A. Heaps, M.P., and Peter Heenan, M.P., who claim they are representing labour in the House of Commons, to give their aid to the 20,000 motor car mechanics of Canada in retaining their jobs. Canadian labour men will expect these three members of the House to put up a fight to have the matter at least referred to the new Tariff board, so that the employees of the motor car plants of Canada can present their claims to the board.

This is one of the most serious situations that the industrial workers of Canada have had to meet, and the Labour Leader makes an earnest plea to Canadians to forget any selfish ideas they may have and join in a joint protest that no government can afford to overlook. Canadians, be real Canadians and help your fellow Canadians who are employed in automotive industries to retain their jobs.

Now I ask my hon. friend the Minister of Labour whether he laid that article before his colleagues when the present reduction of duty was determined upon; I ask whether he, in his present office, should not protect the rights of the labouring men of eastern Canada, or whether he was simply overborne by his western colleagues in the free trade campaign which they have carried on in this country for the last five, ten or fifteen years.

But what is the province of Ontario going to say or do over the situation? What relief can we get? What relief can we expect to get? The government defeated at the polls, its ranks decimated, nine of its ministers gone, four or five months now gone in which to recruit; yet they have produced for the great province of Ontario only one minister, they have placed him into the Department of Labour, and the first thing labour in this country gets is a black eye such as it never got in Canada before.

Mr. Speaker, it is hard to overstate the importance of the motor industry in the province of Ontario. In the city from which I come, and which I have the honour to represent in this House, we have no automobile factory. We do make trucks or bodies which go into an automobile, but we have no automobile factory. Yet last year I find that no less than $1,280,000 was spent by the Ford Company in the city of Guelph in procuring the various parts necessary for the automobiles made in Windsor. This sum went for Guelph labour and Guelph material. Look over the list of cities and towns in the province of Ontario and you will find scores of them which are to a very large extent dependent upon the very motor industry which this present budget is striving to kill. It is an industry with an investment of $60,000,000 of capital in this province, and at one fell swoop the Minister of Finance announces a reduction of 15 per cent upon automobiles up to $1,200 in value. Sir, I am within the mark, I believe, when I state that a reduction of 15 per cent represents far more than the profit of these companies which are manufacturing automobiles. They cannot stand this reduction of 15 per cent and still operate at a profit. It may be that in years gone by, in the early days before prices became fixed, before competition became keen, very large profits were accumulated by some of these industries; but it is not so to-day. Competition to-day is of the keenest order, and I am prepared to state now, on the information I have received, that this 15 per cent reduction represents more than the average annual profits of any concern engaged in the production of these automobiles to-day in the province of Ontario. This reduction is made at one fell swoop, and it may prove a death blow. Why do it? Why jeopardize the livelihood of 12,000 mechanics in these factories, and 8,000 other mechanics working in allied or kindred industries in different parts of Ontario? Why not listen to the appeal of the labour men of this country? These 20,000 operatives represent possibly a population of from 80,000 to 100,000 people in Ontario who are dependent for their livelihood upon this industry. You are placing their employment in jeopardy by the action which you propose to-day.

Mr. Speaker, why is this done now? Have we forgotten that during the course of the last election, on practically every platform of the Liberal party, representations were made to the electors of this country that if the government were returned to power it would appoint a tariff board or a tariff commission, something in the nature of an advisory commission to advise them upon all questions of the customs tariff and upon all matters of taxation? Have we forgotten that within the last two weeks, perhaps only ten days ago, an announcement was made to this House by the Prime Minister of this country that his tariff board had been appointed? He produced in this House the order in council; he named the chairman and the members of the board, and the secretary.

Mr. MACKENZIE KING: My hon. friend is mistaken. I did not produce the order in council at the time.

Mr. GUTHRIE: Perhaps I am wrong in that, but the Prime Minister announced that the order in council had been passed.

Mr. MACKENZIE KING: No, I beg my hon. friend's pardon. I was asked the question on the spur of the moment by the right hon. leader of the opposition, and I tried to give him in advance what might be the possible order.

Mr. MEIGHEN: What would be.

Mr. GUTHRIE: I am going to give my understanding of what took place in the House. I understood that a formal announcement had been made by the Prime Minister of this country as to the men who should constitute the proposed tariff board or tariff commission—call it what you may, it matters not to me. It was the board which was to be constituted for the purpose of obtaining information, of making inquiry and reporting to the government where the tariff was too high, or where it was too low, or where there should be some readjustment. It was for the purpose, as was announced by the Prime Minister and his followers last fall, of taking the tariff out of politics—a good election cry, and one that goes down with a good many people. Now here is the announcement that was made by the Prime Minister on the 7th of April. I quote from Hansard:

Right Hon. W. L. Mackenzie King (Prime Minister): I beg to lay on the table copy of an order in council in which I know—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Mr. Speaker, I think this performance, for I must call it such when hon. gentlemen applaud in this manner—the statement about having laid an order in council on the table—

Some hon. MEMBERS: Order, order.

Mr. MACKENZIE KING: Allow me to make an explanation, if you please. I never said an order in council was never laid on the table.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: My hon. friends, I hope, would like to have a straight explanation.

Mr. RYCKMAN: That is just what we would like.

Mr. MACKENZIE KING: My hon. friend from South Wellington (Mr. Guthrie) stated that I announced that a certain personnel of the board would be appointed, that I laid the order in council on the table.

Mr. RYCKMAN: No.

Mr. MACKENZIE KING: Yes, I beg my hon. friend's pardon.

Mr. RYCKMAN: Look at Hansard.

Mr. MACKENZIE KING: The order in council that was laid on the table contained the names of the commission as it exists at the present time; that is the only order in council that was ever laid on the table. I was asked on the spur of the moment some days previously by the right hon. leader of the opposition as to what the personnel of the commission would be before it was appointed, and I named certain gentlemen whom the government had in mind appointing, but before any order in council had been passed. Before the order in council was passed, one of those gentlemen asked that he should not be appointed, and he has not been appointed.

Mr. GUTHRIE: I am sorry, Mr. Speaker, for the misunderstanding, but I am glad to know that I was not in the wrong, because not only was the order in council laid on the table on the 7th of April by the Prime Minister, but he made this statement regarding it:

The order in council in question sets forth the personnel and powers of the board.

And then he gave the names of the members of the board. That is what I had in mind when I said that within the last two weeks, or possibly ten days this announcement was made by the Prime Minister. It was made on the 7th of April. Now the board was constituted then; at least, on the 7th of this month the names of the board were published in the papers throughout the length and breadth of this Dominion, and men who had been inclined to wonder what action the government might take in regard to the tariff on motor cars said when they saw that announcement: Well, that settles the matter; it will now be investigated by the board; that is what the board is for. That, Mr. Speaker, was the reasonable expectation of every reasonable minded man and woman in Canada. That is what the public expected. That is what the 20,000 workmen engaged in this industry in Ontario expected. That is what the owners of these factories expected. Why did they not get it? Why go through the nonsensical farce of appointing a board, and then at the very first opportunity stultify yourself and repudiate the board you have appointed? There is something deeper in this matter which these gentlemen know about. There is something under the surface. No rational body of men, if this government be a rational body of men, would treat the public or would treat the House so, or would mislead

the manufacturers of these motor cars as the government has misled them by the announcement of a tariff board to whom all questions were to be referred for investigation and report in order to lift the tariff out of party politics, and then within a week, a brief week, after the announcement in regard to a most important industry, one of the most important in Canada to-day, flout that board in the face, and announce to the people of Canada radical reductions, serious reductions, that may very seriously hamper and possibly destroy that industry.

I am not altogether a worshipper of the idea of a tariff board. I remember that on a former occasion, I think it was in 1912, I moved the six months hoist in this House in regard to another tariff board. I believe that a tariff board can be constituted in this country on the lines laid down by my right hon. leader in a speech last year, which is to be found in revised Hansard of June 2, last. I believe that something may be accomplished on those lines, but I am inclined to think that the effort of the present government in regard to the tariff board is merely to evade responsibility; it is merely one of a hundred instances of "passing the buck" as they say in the language of the streets. I am afraid it would be an unfortunate day for this country if the government should ever delegate its power to deal with the customs tariff of Canada to any board, or to any body of men not elected by the people. I am inclined to think that notwithstanding the pre-election announcement, notwithstanding the flourish of trumpets in connection with the appointment of this tariff board, so well advertised on the front pages of all the Liberal dailies throughout Canada, it is the merest kind of a subterfuge, that it means nothing and will mean nothing in the commercial life of Canada; that all the government has done has been to appoint a sort of glorified body of civil servants. If that is all they are, why not let the Civil Service Commission appoint them? In my humble judgment the men named on the commission are not men qualified to deal with the matters which will be referred to them. No man has a higher regard, or a greater admiration, for the Hon. George P. Graham than I, but I would laugh at any man who came to me and said that George Graham was a tariff expert. Why, sir, as far back in his public career as we can recall he has been engaged and exclusively engaged in the operation of railways, in the management of the Railways department of this country; not a moment of his time has been devoted to commerce, or to customs, or to cognate questions. He knows as much about the customs tariff of this country as I do about the differential calculus, and I know nothing about it. But he, forsooth, is to be the head of this board to lift the tariff out of politics! Why, his chief qualifications for the position is that he is a politician, a very able politician, and that is the reason he has been selected. I have little confidence in this tariff board. Now, I am going

5 p.m.

to quote what another man says in regard to a tariff board. Last night I was reading a book recently published by Thomas R. Marshall, Vice President of the United States for eight years under the Wilson administration. He was a low tariff man, a tariff for revenue man. We know they have a tariff board in the United States, and this is the late Mr. Marshall's estimate of that board put in his own rather racy language. He says, and this is to be found at page 240 of his work, Recollections:

> The attempt to take the tariff question out of politics is not nearly so successful as the taking of alcohol out of beer. As long as the congress of the United States levies the taxes and determines the sources from which the revenues shall be derived, the tariff will remain in politics. This is not a discussion of the right or the wrong of it. This is the frank expression of an opinion that a tariff commission is just about as valuable as a letter written by an inmate of an insane hospital. To pretend to organize a commission that will tell the difference in the cost of production at home and abroad, is no more possible than it is for a one-legged man to dance a hornpipe. He cannot even tell the comparative cost of production and the reason for it, in factories in our own land, our own state, our own community. It depends on the plant, the management and a thousand other things. We shall never have any valuable information from a tariff commission until they find out how to make men and plants alike, and have them all move by common impulse.

And such will be the experience of this government with its tariff board. What does the government intend to refer to that board? I do not know. Certainly it has not referred to that board the one great outstanding feature of the budget speech of to-day, and the one upon which the interest of the province of Ontario is more focussed than upon any other. The whole tendency, the whole fiscal policy, of the King administration, from the day it took office down to the present time, has been a negation of the established fiscal policy of this country since the year 1879. I am the more surprised that a man who now occupies the high position of Prime Minister of this Dominion, and who sat in the government of the late Sir Wilfrid Laurier between the years 1907 and 1911, should now take this retrograde, this downward step. But he has done it. I said that since the year 1879 the settled fiscal policy of this Dominion was the prin-

ciple of protection, and I abide by that statement. That principle was maintained almost intact until 1896. I remember well the days prior to 1896 and the campaign of that year. I remember taking part in it with the Liberals. I remember well the speeches made at that time by Mr. Fielding, by Sir Wilfrid Laurier, and by many less notable Liberals throughout Canada. I remember our craving for free trade. I remember the various definitions of our policy such as "free trade as they have it in England". I remember well the declaration that "the Liberal party will not be content until protection is destroyed root and branch". But what happened in 1896 when Sir Wilfrid Laurier came into power? Did his government change the principle of protection in the fiscal policy of this country? Not they. Sir Wilfrid Laurier was a protectionist. Hardly a change was made in that policy. What did they do? They revised the tariff. They made alteration in this schedule and that schedule, but the net result when the alterations were completed was an average reduction of less than one per cent. In addition to that they brought in a new feature known as the British preference, at first amounting to 25 per cent in favour of Great Britain, but subsequently increased to 33 per cent. That is when I came on the scene, in 1900. I remember well the situation as it then existed in Canada. We had a protective policy suitable to the conditions which then prevailed. We had the same old protected principle in force which had obtained since 1879. And Canada prospered. Canada did well under it. Now I come to an incident showing what happened in 1903. Under the Fielding tariff of 1900, when I came into the House, woollen goods had enjoyed 33 per cent protection, subject to the British preference cutting it down by one third and making it 22 per cent. No sooner had the preference come into force than mills began to close. Men began to lose their jobs. Mills began to run on short time. I was one of a delegation of a number of Ontario mill owners who came to Ottawa and met Sir Wilfrid Laurier, Mr. Fielding and Mr. Paterson. The delegation laid the case before them. Did they turn it down? No. Sir Wilfrid Laurier said: We shall have this matter investigated at once, and they did. With what result? They found that the Canadian woollen men were open to unfair competition in respect of wages and other conditions in Great Britain; the following session the tariff was amended, and the woollen schedule was put at 30 per cent net on all woollen goods coming into Canada from Great Britain. Why was that done? Was that done for revenue? No, it was done for protection and it worked admirably.

I remember well when the Minister of Justice (Mr. Lapointe) came into the House. The woollen schedule stood then at 30 per cent net; he supported it and I supported it. I remember when the Prime Minister (Mr. Mackenzie King) entered the government of Sir Wilfrid Laurier. The tariff was 30 per cent net on woollens and there it remained. I remember the revision in 1907.

Mr. ROBB: When the hon. member is speaking of 30 per cent, is he referring to the general tariff or the British preferential?

Mr. GUTHRIE: The general tariff was 35 per cent. The tariff against goods coming in from Great Britain was 30 per cent net. I remember the Minister of Finance was in the House in 1907 too. He and I both supported the Laurier-Fielding tariff of 1907.

Mr. ROBB: My hon. friend's memory is very defective; I was elected only in 1908.

Mr. GUTHRIE: Then I will call it the 1908 tariff because it continued until 1911. I remember when the Minister of Finance came into the House in 1908. He was a supporter of the government of that day.

Mr. ROBB: I am yet.

Mr. GUTHRIE: He was a supporter of this tariff and so was the Prime Minister. Prior to 1911 the tariff remained on the statute book intact and so it remained through the Borden administration. It was the policy of protection. So it remained through the Meighen administration. Then we come to the advent of the King government and the very first year after the King government came into power they began tinkering with the tariff schedules. In the first year 2½ per cent was taken off the duty on woollen goods. The Laurier-Fielding tariff that had served the country so well, that had kept the mills so busy, was tinkered with in the first year and reduced to 27½ per cent. In the following year there was another cut of 10 per cent in the British preferential bringing the tariff on woollens down from 27½ per cent to 24.8 per cent net, and what was the result? All over Canada woollen mills began to close; men lost their jobs, the exodus started to the United States and woollen men would not invest more money. I say to the Minister of Finance: Look at your imports of woollens for those years. See them gradually rising in this country until last year, according to the government's trade returns of which I have a copy in my hand, we brought in $20.-

000,000 worth of woollen goods from Great Britain, all of which we could have made in Canadian mills if the Prime Minister had had resolution and courage enough to stand by the tariff which he helped to make in 1907. Yes, they supported it then. Why not support it now? Why change it now? They talk of the golden era which Canada enjoyed under the Laurier-Fielding tariff. If we were prosperous then, that prosperity was due to the principle of protection which they maintained in this tariff. Let the Minister of Finance listen to this. Under the Laurier-Fielding tariff, for which he voted and I voted, for which the Prime Minister, who was a member of the government, voted and for which the Minister of Justice voted, mowers and reapers enjoyed a tariff of 17½ per cent. But this government has at last cut the tariff down to 6 per cent and the result is that nearly all mowers and reapers used in Canada are coming in from the United States.

Mr. ROBB: Not at all.

Mr. GUTHRIE: I am willing to stand by my statement. Cultivators in the days of the Laurier-Fielding tariff, when the present Prime Minister was a member of the government of that day and supported the tariff in that government, enjoyed a duty of 17½ per cent. This government has cut the duty down now to 7½ per cent. No wonder that the trade has been almost abandoned in this country and our farmers are very largely being supplied with goods from the United States. Under the Fielding-Laurier tariff the duty on ploughs was maintained at 17½ per cent until that government was put out of office in 1911. Now, under the genial smile of the present Minister of Finance, the duty on ploughs is down to 10 per cent. In those golden days under the Laurier-Fielding tariff the duty on wagons was maintained at 25 per cent. Now, through the tariff tinkering of this administration, that duty is cut down to 12 per cent; wagon factories of Ontario are very largely closed up, and wagons are coming in from the United States. The duty on cottons has received a cut of 2½ per cent and 10 per cent on the British preferential tariff from the old Laurier-Fielding tariff. I believe I am within the mark when I say that the industrial difficulties of the Dominion of Canada, the handicaps from which we have suffered in the last four years, are due if not entirely, to by far the largest extent, to the tariff manipulation and tariff tinkering of the King government. In every instance in which this government has laid its unholy hands on the Laurier-Fielding tariff it has been to the detriment and disadvantage of the Dominion of Canada.

I cannot altogether absolve in my mind the Conservative administration which took power in 1912. There was a time—and I was one of those who believed it at the time and I think my right hon. leader was for a time tainted with a bit of the same heresy—when some people thought the duty on agricultural implements was too high and the Borden administration, when they took power in this country, undertook to reduce it. Therefore, a small part of the reduction from the Laurier-Fielding tariff took place while Sir Thomas White was Minister of Finance of Canada. I remember on one occasion making a speech in this House in regard to the matter and I remember strongly supporting the idea that duties were too high on agricultural implements. But in that respect I can only say what I did before. Sometimes I am challenged and asked why ten years ago or fifteen years ago I expressed opinions entirely contrary to what I express to-day. In that regard I can only reply in the language of John Morley or better known at his death as Earl Morley when he said: "When I am confronted on the platforms of this country by men who say: 'Why Mr. Morley, ten years ago or fifteen years ago you shared other opinions and expressed them,' I reply: 'My good friend, I cheerfully admit that ten years ago or fifteen years ago I held many opinions which I do not entertain to-day and if anyone can derive any consolation from my discarded opinions, they are entirely welcome to them.'" I repeat, however, that the real damage has been done by the King government which, from the moment it took power, resolutely set its face towards the free-trade goal and allowed its supporters in this House to announce that the death knell of protection had now been sounded. With three ministers in this House from the important province of Saskatchewan, all of the same opinion, three outstanding men ready to ring the death knell of protection and establish free trade, what hope is there for the province of Ontario, with its single little Minister of Labour, no matter how able or how diligent he may be. Under these circumstances, what chance is there for us in the great industrial province of Ontario to meet a situation such as has arisen in this House to-day in regard to one of the greatest of Ontario's industries?

Sir, there is one other omission from the budget statement in regard to which we have heard rumours on the street. We thought that at last this government had awakened to the fact that there was a class in this country known as agriculturists, a class which, in the eastern provinces at least, has now become thoroughly protectionist in its tariff views

and is demanding, through its associations and through its representatives in this House, some action to protect our farmers against unfair competition. There were men, I say, who believed that the government had at last become aware of the situation. In Ontario the great agricultural class is to-day thoroughly protectionist in its views. Look over this House and you will verify that assertion: agricultural riding after agricultural riding has returned to parliament a member pledged to support the principle of protection. We on this side of the House believe also that in the great sister province of Quebec the preponderance of the popular vote is protectionist. We know that at the last general election the question of protection was not made the foremost issue in that province, and we believe that in its heart of hearts the province of Quebec would pronounce to-morrow in favour of the fiscal policy of protection and as opposed to such reductions as are now announced, such tariff tinkering as has taken place, looking ultimately to the goal of free trade, a dream which hon. members in the government will seek some day to realize. We believe that the eastern provinces, represented as they are in this House by a body of members holding a common view, returned those members to the House of Commons chiefly for the reason that they subscribe to the doctrine of protection. Many and many a farmer riding is represented in this House by a straight Conservative protectionist, and we heard rumours as late as this morning that something might be done in the tariff for agriculture.

There was a time when even farmers themselves were wont to say that you could not protect agriculture. The farming community has abandoned that view and to-day it finds itself confronted by a government which, instead of making an attempt to protect the farmers' market in the Dominion, is year by year opening the door wider and wider until the little measure of protection which formerly remained in our customs tariff has now practically disappeared. It is well within the mark to say that the markets of Canada in respect of agricultural products are practically free to Australia and New Zealand and almost freely open to our great competitor the United States. All these markets are closed to our agricultural products. Time was, ten, fifteen or twenty years ago, when the customs tariff on agricultural products such as fruit, vegetables and the like, as between Canada and the United States contained a modest element of protection to Canadian farmers. But conditions have changed; the whole system of production has changed; there has been a difference in population. To-day our customs tariff as regards agriculture is absolutely negligible so far as the protective incidence is concerned. Look at the hundreds of millions of dollars' worth of agricultural products that are coming into Canada annually from the United States of which a very large percentage could be produced in this country.

Mr. ROBB: My hon. friend is right. In 1922, for which his party must be credited with the operations of nine months, our importation of raw cotton amounted to 95,000,000 pounds and in 1925 to over 100,000,000 pounds.

Mr. GUTHRIE: I was speaking of things which we could produce ourselves. For the benefit of the Minister of Finance and in order to make myself clear, let me say that I do not include tropical products such as sugar, molasses, fruits, cotton and other commodities, which by reason of our northern climate we cannot produce. But there are hundreds of millions of imports from the United States of agricultural commodities which we do produce in this country, and it is against these things that the farmers of the entire Dominion, certainly those of eastern Canada, want a reasonable tariff barrier for their own protection. Geography is largely against us, and so are climatic conditions; we are under Nature's handicap. And that handicap is aggravated by the fact that we have a population of 112,000,000 competing against us. The market to the south of us is closed to the producers of Canada by artificial means.

Why can we not adopt something of the policy of our neighbours in our fiscal arrangements? You must give credit to the people of the United States when it comes to the question of legislation on fiscal matters. They legislate exclusively for their own people, paying no regard to the tariff of Canada or of any other country in the world. If they require an article in the United States for their own purposes they make its importation free, and that is the reason why our pulpwood, our mineral ores, our asbestos and our electrical power can go in free of duty. They want those things and they allow them to come in without paying a duty. That is their tariff policy, but their tariff policy does not help Canada in the slightest. The moment a hand touches any raw material in the United States, the moment a machine is turned upon the development of that material, then automatically their tariff operates and their market is barred to us. The result is that to-day millions upon millions of dollars' worth of manufactured products are coming into this country from the United

States, products the raw material of which we furnish them. We buy back the finished article for use in Canada. Do you not realize that the people of the United States understand quite well the situation over here? They are not making any mistake in their estimate of the King government. Here is an official document from Washington—the bulletin of the United States Department of Commerce prepared by government officials and placed in the hands of the president. Under date November 3, 1924, at page 265, the bulletin makes this statement:

> Economically and socially Canada may be considered as a northern extension of the United States, our trade with Canada being in many respects more like domestic trade than our foreign trade with other countries. The movement of industrial raw material from Canada into the United States and the return flow of a miscellaneous assortment of manufactured goods is not unlike a similar flow between the west and the south and the more industrialized eastern part of the United States.

That is an official document laid before the President of the United States. And how has it come about that such a statement can be possible? It has been made possible by the insane fiscal policy which the King government has pursued during the past four years. Now I am going to read from the Commerce report of the United States of the same date. Oh, I tell you they understand our situation here, they realize the tendencies of the King government and what they are getting out of it. This is what the document says:

> Against the set policy of the Conservative party of building up a thoroughly protective tariff to favour Canadian industries, has been operating the influence of the Liberal party who stand for a moderate level of import duties and a generous measure of preference to empire products.
>
> Since the return to power in 1921 of the the Liberal government under Mr. Mackenzie King the administrative efforts have been bent toward a discriminating downward revision of the tariff in which the government appears to have had the support of the Progressive element. The Canadian tariff is subject to revision each spring when the Minister of Finance presents to parliament the budget embodying the general financial programme of the administration for the year ahead. Each of the three budgets presented by the present government have carried changes in the Canadian import duties and almost invariably downward.
>
> United States manufacturers have been the principal suppliers to Canada of most of the classes of goods on which the duties into Canada have been reduced during the past three years.

Does the government not appreciate the only result of the course it is pursuing? Does it not see the end of the journey? Why, we are drifting, drifting each year, and unfortunately there is only one direction in which we can drift and that is to the south. Is it too late for us to take a stand upon this matter and re-establish ourselves in this our birthright? I for one protest against any condition pertaining in this country which enables public officials of another country to print articles such as I have just read to this House. I protest against any government which permits conditions to prevail in Canada to which articles of this kind have any application whatever. But it is a sad thing, a lamentable thing, a melancholy thing that we have to admit a large element of truth in these articles which I have read, and which were written by the officials of the United States government. Unfortunately there is too much truth in them. That is the part that hurts, that is the part that stings, and that is the part that, for the last four years, has been doing tremendous injury to the Dominion.

I rejoice, Mr. Speaker, over another matter which I had almost forgotten to mention, and that is in regard to the excellent showing which the Minister of Finance was able to announce in respect to the Canadian National Railway system. It comes as a matter of congratulation to my mind. I am sure it will come doubly so to the mind of my right hon. friend and leader, who is really the father of the Canadian National Railway system. Those of us who have been in this House, say, from 1911 down to the present time realize the sustained, the able, the persistent fight against great odds which was made by my right hon. leader to take possession of the old Canadian Northern and the old Grand Trunk and to consolidate them into one splendid national railway system as we have it to-day. Those of us who were here well remember the wonderful fight that he had to make. Part of the time, I regret to say, I voted against him, part of the time I voted with him, and at the conclusion of the long protracted and difficult fight which he put up for the people of Canada during those long and trying years, I felt honoured by the fact that I was a member of the government which consummated the transaction and brought those two railways, which at that time were such tremendous burdens upon the people of Canada, into one magnificent transcontinental system. I well remember from where the chief opposition came. I remember in this House in the sessions of 1919, 1920 and 1921 how he was criticized, how he was condemned, how on occasion after occasion he would have been outvoted had the Liberal party the numbers at that time with which to outvote him. I remember, too, after they obtained power how gingerly they were in taking over the Canadian Northern system or in announcing a policy in regard to it. Why, Sir, our old friend the late Hon. W. C. Kennedy, when he made his first presentation of

railway affairs in the session of 1922 said: The government has resolved to try out this government railway ownership policy which was instituted by the preceding government. He would not commit himself to it, he would not commit the government to it. They were a lukewarm party in regard to government ownership and in regard to the Canadian National Railway system at that time. But now that the dream of my right hon. leader is about to be realized, now that the roads are becoming something in the nature of an asset to Canada, now that we can look forward to the next five years and with some confidence predict that the time is coming when instead of writing off annually the interest charges as we do to-day those charges will be paid into the treasury,—now that that day has arrived, if there is any man who should be proud of the situation, if there is any man in this country to whom we should pay tribute in regard to a satisfactory solution of our railway affairs, that man is my right hon. leader.

I realize, Mr. Speaker, that I have not been able on this occasion to deliver anything like the reply to a budget address that the House would expect or that would have been delivered had the hon. member for West York (Sir Henry Drayton) been in his place. He is a man specially equipped for the performance of such a duty. However, I have brought under review the matters that appeal to me, and I have given the House my views upon the subject generally. I thank the House for the patience accorded to me during my somewhat rambling remarks, which I will now conclude.

Mr. Forke moved the adjournment of the debate.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. MEIGHEN: Carried on division.

Mr. SPEAKER: Carried on division.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Under the circumstances, Mr. Speaker, I presume my right hon. friend will be prepared to join with the government in the motion I am about to make that the debate on the budget have precedence over all other matters until disposed of.

Mr. MEIGHEN: Hear, hear.

Mr. MACKENZIE KING: I move:

That the order for consideration of the motion for Mr. Speaker to leave the chair for the House to go again into committee of Ways and Means have precedence over all other business, except on Friday the 16th instant, and except the introduction of bills, questions and notices of motions for the production of papers, until disposed of.

[Mr. Guthrie.]

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. MEIGHEN: Mr. Speaker, I am quite prepared to go on with the budget debate on all government days including to-day and to-morrow, but I am not prepared to give up Monday which, besides being private members' day, is the day on which a very important resolution was to be moved from this side of the House, and this motion cannot well be postponed.

Mr. MACKENZIE KING: I mentioned to my right hon. friend that there is no intention of doing away with private members' day.

Mr. MEIGHEN: We cannot very well postpone the one motion.

Mr. MACKENZIE KING: My hon. friend would perhaps agree to incorporate in the motion the words "excepting next Monday."

Mr. MEIGHEN: That would be satisfactory.

Motion as amended agreed to.

OLD AGE PENSIONS

The House resumed, from Friday, March 26, consideration in committee of the proposed resolution with respect to old age pensions.—Hon. Mr. King—Mr. Duff in the chair.

Mr. CAHAN: Mr. Chairman, I am altogether opposed to the scheme of old age pensions as placed before the House in this resolution. I can understand an old age pension scheme which depends upon the incapacity of the recipient to earn a living, but unlike every other old age pension scheme with which I have been able to come in contact during a rather extensive search, this scheme altogether eliminates the element of incapacity. It assumes that at seventy years of age every Canadian who has lived in this country for twenty years is utterly incapacitated to earn a living. I object to that assumption, because actual incapacity should be the fundamental principle embodied in any pension scheme.

If incapacity is to be the criterion as to whether parliament shall vote an old age pension list, I then suggest that the petition laid before the House a few days ago asking for pensions to the blind should receive consideration as a part of this general scheme. In Nova Scotia we have an institution with which the name of the late Sir Frederick Fraser will ever be connected, in memory of his life work devoted to the blind. In this institution those incapacitated early in life are educated in order to enable them to earn

their living and support their families to almost the remunerative extent of a great number of people who possess their sight. But those who are incapacitated by blindness after the age of twenty years find it most difficult to undertake the educational work necessary to fit them for remunerative occupation from that time on. If, therefore, incapacity should be the criterion, there is no reason why parliament should not undertake to give attention to those who are incapacitated by reason of blindness at such an age as to prevent them from undertaking the educational work necessary to fit them for remunerative employment. Really I can see no reason why, if incapacity is to be the criterion, this country should not give a pension to every man and woman who is incapacitated physically or mentally. There are a number of pension schemes in connection with railway employment and employment in our industrial life, under which compensation is given to those who, in the work of railway operation or in the pursuit of that special industry, become physically incapacitated. If this country is to pension those who are incapacitated I see no reason why a farmer, for instance, who comes in contact with a mowing machine and is incapacitated to earn his living; why a fisherman, who by accident or otherwise is incapacitated to earn a living; why any person engaged in any industry that he is faithfully prosecuting for the primary purpose of earning a remunerative livelihood and for the further purpose of developing the general industrial life of the country, becoming incapacitated by disease or accident, should not be pensioned.

Further, I object to any general pension scheme being inaugurated in Canada which does not provide for compulsory contribution by the wage earner to a fund which will bear part of the cost of that scheme. I think it a fair proposition to bring before this House that the government, whether federal or provincial, should contribute to a fund to which compulsory payment would be made by employees as well as by employers in industry for the benefit of those engaged in the general industry of this country. But the proposal embodied in this resolution contemplates nothing of the sort. I have examined into a number of schemes. In Great Britain, for instance, I find that there was an amendment made in 1925 to their system of pensions providing for contributory pensions for certain classes of persons who are entitled to participate in that scheme. The cost of such a scheme, of course, is large, but I find that in a number of other countries compulsory contributions are necessary. For instance, in Austria there is a compulsory system of contribution. In Belgium, insurance is compulsory for all persons who work for an employer at an annual remuneration not exceeding a certain sum. In Bulgaria, compulsory insurance against old age is established. In Chili there is a system of compulsory insurance against old age. In Denmark the recent provisions are for the pensions being paid by the municipalities, only seven-twelfths of the expenses of operation and management being borne by the state. In France there is a compulsory contribution in respect of pensions, except that in the case of mothers who are earning their own living and that of their children there is a deduction from the contribution. In that country contributions are made by the wage-earners and the employer in equal amounts. The employer makes the contribution, but is permitted by the law to deduct one-half from the wages of the employee. In Germany the Old Age Insurance Act passed in 1889 was the first enactment providing for a national system of compulsory old age insurance. All wage-earners over sixteen years of age in industry, transportation, commerce, agriculture and domestic service, and salaried employees earning annually less than 2,000 marks, must be insured, and must pay from their weekly or monthly wage a certain proportion of the cost of maintaining the insurance system. Even in Greece, in 1922, there was adopted a system of compulsory insurance of wage-earners. In Italy they have compulsory insurance against old age and invalidity. If permanent incapacity to work is proved, pensions are granted at any age provided 120 fortnightly contributions have been paid by the worker into the scheme. The same in Jugo-Slavia, compulsory; Portugal, compulsory; Spain, compulsory, with certain subsidies granted to the scheme by the state; Sweden, compulsory, and so on.

My objection to this scheme as a scheme is that it is not well matured; it has not been carefully considered; it does not provide pensions for those who are incapacitated except by old age at seventy, and at that age they receive a pension whether incapacitated or not; it does not take into consideration the special claims of the blind, of those who are deaf and dumb, or of those who are mentally or physically incapacitated for earning a remunerative weekly, monthly or annual wage. If parliament, therefore, is willing to undertake a thorough and complete system of subsidizing from the treasury of the state those who are incapacitated mentally or physically for earning their livelihood,—and

that is a large undertaking—it is unfair that we should consider simply this one case.

Furthermore, this scheme contemplates that in its operation there shall be co-operation beween the provincial governments and the federal government. I suggest, Mr. Chairman, that in the recent political history of this country we have proceeded altogether too far in the way of co-operation between the federal government and the provincial governments in respect, for instance, to road appropriations, which are within the proper jurisdiction and control of local legislatures. The same refers also to certain building schemes in which there was co-operation, but in respect of which the federal treasury, which provided the money, really had little or no control over the management of the funds and little or no supervision over the actual expenditures made. I do not wish to stress the matter, but I went through for several weeks, as counsel, an investigation in my native province of Nova Scotia which clearly disclosed to me that when provincial governments or provincial legislatures are expending moneys which are not raised on their own credit and responsibility, and in respect to which their sole responsibility is that of expenditure, it leads to wasteful expenditure and very wide latitude indeed in the making of those expenditures.

In the province of Quebec provision is made for those who are incapacitated either by old age or otherwise. There we have recognized under the law the family life, and by law there is imposed upon every member of the family the duty of maintaining other members of the family who are incapacitated by old age or by physical or mental disability. That law has proved, I think, a most splendid law, accepted by the whole people, preserving the family life and the responsibilities of family life, and so far as I can ascertain there is no demand from and no need in the province of Quebec for a federal subsidy to assist in maintaining what I might almost call the corporate existence of family life.

In my own native province of Nova Scotia, there is no need, I think for old age pensions or for pensions to those who are suffering special disability owing to blindness or being deaf and dumb. That province has undertaken for years past to educate its deaf and dumb and blind. That work has been so extremely well managed and so extremely beneficial that it will compare with similar work in any other civilized state in the world. I do not think there is any demand from that province for contributions of this kind in respect of work which they have undertaken as a province and in which the municipalities assist. They regard this as a provincial and municipal affair and they are prepared, I believe, unless there has been a change of sentiment in recent years, to continue it in the same vigorous and successful way in which they have carried it on in the past—in fact, ever since I was a child almost, although during the last thirty years many improvements have been effected.

If this pension scheme, therefore, is to be supported by the provincial and municipal authorities, the government should come to us with a plan which has been submitted to the provinces and which meets generally with their approval. It is utterly absurd, it seems to me, to present a scheme such as this, whereby the federal treasury will be bound, even under the limited measure proposed here, to the expenditure of $12,000,000 of annual appropriations, without having secured first the approval and the co-operation of the various provinces which will be expected to contribute the other twelve or thirteen million dollars. If any one province remains out of the scheme, an unequal and unjust burden is placed upon it, as a part of the country as a whole, for the purpose of maintaining this institution in other provinces. Furthermore, it would be grave injustice to the province of Quebec, a constituency of which I have the honour to represent in this House, and would be destructive of the entire traditions of that province, those splendid traditions which have been preserved for a century. I am sure no request has come from the people of Quebec for this scheme.

On these general grounds, therefore, without occupying the attention of the House further for the moment, I wish to express my objection to the scheme as a whole. It has been conceived without due consideration; it has never enlisted the co-operation and approval of the provinces and municipalities, although the former are bound to contribute one-half the amount involved; and finally it has never contemplated providing assistance for those who are just as much entitled to aid as others who, having attained the age of seventy, are incapacitated by physical or mental disability.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MEIGHEN: We would be the better of having the minister in charge.

Mr. KING (Kootenay): I am here.

Mr. MEIGHEN: On old age pensions?

Mr. KING (Kootenay): Yes. I had the pleasure of introducing the resolution.

Mr. MEIGHEN: I did not think the Minister of Public Works was old enough for that. What has he to say to the argument of the hon. member for St. Lawrence-St. George (Mr. Cahan) which seems to me to be a very weighty presentation?

Mr. KING (Kootenay): The hon. member for St. Lawrence-St. George interjected certain side issues which would lead us far astray in regard to this bill. Provision for blind or disabled people would not come within the four corners of the bill. This is an old age pension bill, and it would be well to confine the operations of the bill to the matters set out in the resolution. Provision for the blind should be left more to the locality in which the unfortunate individual is situated; and I know throughout Canada provision is being made for people suffering from blindness. If it was the desire of the Canadian parliament to make provision for that class or other classes, it should be outside of this bill.

As to his argument that Quebec has already made provision for the old and aged in that province, that is true of every province and municipality in Canada, but it is well known that in the Canadian parliament for many years, in fact since 1906, this question has been mooted and discussed. In the last parliament a committee of the House of Commons in 1924 reported recommending an old age pension bill and it will be found by those who consult the report of that committee that the legislation now before the House follows very closely the report which was presented to the House of Commons at that time.

The resolution covers in extended form the matter that will come within the bill itself, and I would ask that the resolution be adopted in order that we may consider the bill when it comes before the committee.

Mr. MEIGHEN: Of course I realize the minister is only acting—and the word "acting" must be used in a somewhat ironical sense to make it properly apply—but his answer to the hon. member for St. Lawrence-St. George is conspicuously ineffective.

Mr. KING (Kootenay): Sufficient, though.

Mr. MEIGHEN: He says, towards the close, that this bill, to use his own language, very closely follows the report of the committee of 1924. Why, it flies in the face of that report. I have not had time at this moment to read the report over again, but my recollection is that it recommended the calling of a provincial conference to see if the provinces could get together on some form of legislation. I have the report before me now and it reads:

Mr. Raymond, from the special committee, appointed on the 1st of May last to make an inquiry into an old age pension system for Canada, to which was referred the correspondence arising from the proposal recommended to parliament on the 1st of July, 1924, for co-operative action on the part of the federal government and the governments of the several provinces, has the honour to report as follows:

Your committee has given careful consideration to the aforesaid correspondence, and also to the correspondence more recently received from premiers and ministers of several provinces. Briefly, the view of the several provincial governments are as follows:

I really think this should be read.

Mr. KING (Kootenay): It has been read.

Mr. MEIGHEN: Then I will not take the time to read again the reports from the premiers and other representatives of the provinces. Suffice it to say that there is not much sunshine to be got out of these cucumbers so far as I can see. Not one of them speaks favourably of entering into an old age pension scheme with the Dominion. These are embodied in the report, and then the committee says:

Having given very careful consideration to the opinion submitted by the Department of Justice, and also to the respective views of the different provinces, your committee have come to the following conclusions:

Firstly, that if the Dominion government were to proceed now with a scheme of old age pensions, it would have to be prepared to bear the entire expense, which would approximately amount to $23,000,000 annually, according to the data obtained in your committee's investigations.

The inference being that they should not proceed now.

Secondly, that in view of the present financial conditions and heavy taxation of Canada, your committee would not feel warranted at the present moment in recommending such a large additional expenditure, annually.

Thirdly, that this measure of social reform, in the opinion of your committee, is very important.

That was a comparatively safe feature of the report.

Mr. HEAPS: What is the date of the report?

Mr. MEIGHEN: June 16, 1925. The fourth conclusions reads:

That since it is the opinion of the Department of Justice that the matter is one coming under the jurisdiction of the provinces, although open to assistance from the federal government, your committee, therefore, strongly recommend:

1. That the federal government arrange with the premiers of the different provinces for a conference to be held during the coming recess of parliament at which an old age pension system shall be given the fullest consideration with a view to securing co-

operative action, and that the report of the said conference be laid on the table at the next session of parliament for future consideration and action.

2. That the chairman of your committee, and one other of its members who would be familiar with the subject matter, be invited to attend the said conference.

3. That a copy of this report be forwarded to each premier of the several provinces.

That is the report which the minister says this bill followed closely. Why, all the report recommended was a conference, and that is about all that the government have not done. They have not held any conference at all. Of course it is not difficult to divine the reason for there not having been a conference. As hon. members will recollect, we have been threatened with a provincial conference now for about two years. The suggestion came first from the ambition which suddenly sprang into the mind of the Prime Minister to clip the wings of the Senate and bring the Senate into line with democracy, and a few months afterwards the necessity for a conference became apparent to the government as a means of bringing this about. But when the government could not for the life of it think of anything to bring before the conference, the matter was deferred and we were told that there would have to be a general election in order that the government might receive the authority to call the conference. The government, however, knowing that at such a conference they would have to bring up Senate reform, were afraid to call it, so that the only recommendation the committee could have made was very skilfully avoided. No other recommendation was made. Why, then, does the minister stand up and say that this bill follows the recommendation?

Mr. KING (Kootenay): It follows it very closely.

Mr. MEIGHEN: Yes, as closely as east follows west; just as closely as this government follows its platform of 1919; just as closely as black is allied to white.

Mr. McPHEE: We are very near to that platform to-day.

Mr. MEIGHEN: You are very little nearer to it now than before. I should like to discuss some features of that question; it will come up next week. I can well remember a few years ago when an announcement of this kind was made. There was great elation, and just about half of those who were intoxicated with it were left at home a few months afterwards. I make that statement by way of warning to hon. gentlemen diagonally opposite.

[Mr. Meighen.]

Mr. McPHEE: That did not happen in Saskatchewan.

Mr. MEIGHEN: There, too, to some extent. Saskatchewan, however, is a safe place to laugh in so far as free trade matters are concerned. Security is one of the attributes of hon. gentlemen, an attribute which in their case is more conspicuous than their courage. Now I come back to the point from which I was diverted. There is no family resemblance between this resolution and the report of the committee; the resolution is not the offspring of the committee. It was not born of that committee at all. It is the result of a compact, made at the opening of the House, to get the votes of Labour members, and it is not going to get any old age pensions. It was intended to secure votes and it has served that purpose already. I do not know of any much more effective step which might be taken in order not to provide for old age pensions. You put upon the statute books a framework into which the provinces have to fit themselves and you have pretty well shut the door on old age pensions. There has been no conference for the reason that the government does not want to get the premiers of the provinces together. A conference was the only recommendation, and that conference having been denied, this step is taken.

I want to dwell for a moment on the point raised by the hon. member for St. Lawrence-St. George. We all know that under many circumstances there is much to warrant old age pensions, but if there is anything more than another that warrants such pensions it is the fact that old age disables from earning power. Now aside from the fact that the provinces heretofore have taken care of this situation, this being their responsibility under the constitution, this legislation is not framed on the principle of disability at all. As a matter of fact there is no principle of any kind underlying it. If the Dominion is going to step in and assist the provinces in the care of old persons, the Dominion is under just as great a responsibility to step in and assist the provinces to take care of others who are disabled from earning power from any cause. Indeed, the responsibility in relation to certain other classes is even greater. The man who when he arrives at old age is unable to earn a living may be blameless if he cannot support himself, but there is a presumption in many cases that his condition is due to his own fault; and very often it is, in fact. But the man who through physical affliction, over which he has had no control, is unable to seize the ordinary op-

portunities of life and thus to provide for his old age has a greater call upon the public than he who has let the opportunities of life go by, finding himself at its close without the means of support. In a word, the cry of disability comes with far more force from the man who is robbed in early or in middle life of the ordinary opportunities that are available to all than from him who has failed to take advantage of such opportunities. But those from whom the call comes most insistently, those who have by far the strongest right of appeal to assistance, are ignored by the government. They are told to shift for themselves while others, less deserving, the government is ready to help because by so doing they can get votes and stay in office. And without a whisper of encouragement from the provinces, unless possibly from one, with everything indeed in the way of discouragement, the government are thrusting themselves in and saying to the provinces, "Here is the mechanism; you get in and find your place." Is that going to accelerate the arrival of old age pensions? Let the government call a conference to consider the whole question of disability, and if the provinces are not able to take care of the situation and the government desire to assist, they may join; but do not start by discriminating, especially against the most deserving of all.

Now, those are some features of the criticism I make. The government say: We cannot do it ourselves because we are forbidden by the British North America Act. That act seems to be of some use, even in the absence of the former Minister of Labour, who in his day gave us some fearful and wonderful interpretations of it. But if one reads this letter from the Justice department he will find there is nothing in it about disability. If we want to do it we can—I am not advocating it—but there is nothing in the world in the way of disability. Here is what it says:

> Referring to your letter of the 12th, instant, asking to be advised with regard to the authority of parliament to legislate on the subject of old age pensions, I may say this subject does not fall specifically within any of the enumerated subjects given to the Dominion under section 91 of the British North America Act, but does in my judgment fall within the subject of "property and civil rights in the province" committed to the provinces under section 92.

That is to say, the British North America Act does not specifically make this the duty of the Dominion. It does under, section 22, enumerate a list of the responsibilities of the provinces within which this is included. The opinion continues:

> I am of opinion therefore that the subject matter of pensions has been entrusted to the provincial legislatures rather than to parliament. I do not mean to suggest that parliament has not the power to legislate upon the subject so as to assist the provinces or to establish an independent, voluntary scheme, provided that in either case the legislation does not trench upon the subject matter of property and civil rights in the province, as for example by obligating any province or person to contribute to the scheme.

That is to say, the Dominion government could not pass an act based on the principle of contribution to the extent of saying that whether a man wanted to or not he had to contribute. We cannot do that. But undoubtedly the Dominion parliament could pass an act, saying in effect: Here is a scheme which we leave open to all the people of our country who desire to come in; anyone who comes in must pay so much—that is obligatory—if he does not, why he is simply outside the scheme. The Dominion could do that. In a word, there is no real restraint on the Dominion doing it if it wants to. We cannot compel people to come into such a scheme, but nobody would think of doing that anyway. Consequently it is only a sham, to be argued either on the basis of this opinion or on any other basis, that we cannot, if we desire to, lay down the foundation of an act wholly within our competence and our supervision, the entire moneys to be provided by the parliament of Canada. All that I want to press upon the committee is, that if we do not do it we ought manfully to say: We do not do it because we do not think it is wise. We should not say: We do not do it because there is some constitutional restraint. There is not.

Now, I rose to point out this. When the ministry advocates, in the first place, that this bill is founded upon the report of the committee, well, it argues something for which not a shadow of a fact can be produced in support of; when it argues, secondly, that this is a fair treatment of disabled people—or put it this way, that this bill is based on any principle of equality, any principle that is not discriminatory, why it has no shadow of foundation for its argument. It is discriminatory. It is selecting, I believe—not in every case undeserving instances, for in very many cases they are deserving—but it is selecting a class of cases among which the undeserving would be far more predominate than any other class of disabled people. In short, it is leaving out those whose appeal is far stronger than the appeal of those it would include. And surely when the government argues that it has to have a complicated system of inter-related provinces in its scheme because of a constitutional restraint, it is arguing what is not true. There is no such constitutional restraint at all. The

resolution bears every evidence of being brought to this House for one purpose and for one only—to satisfy a compact entered into for the sake of votes on the Address; and this bill will not get us any closer to old age pensions on behalf of the workless.

Mr. NEILL: Will the right hon. gentleman before he takes his seat justify his statement that this resolution is not in any way whatever founded—I think he said—upon the recommendations of the committee? I refer now to the specific suggestions made by the committee in the report of 1924.

Mr. MEIGHEN: I was referring to the report of the committee of 1925, the last I had before me. I have not read the 1924 report.

Mr. HEAPS: I have before me the report of the committee of 1924, dated July 1. I presume it must be something along the same lines as that which the right hon. leader of the opposition has just been dealing with. It is very specific in regard to its recommendations. It says:

This question has been before this House at different times since 1907, but no definite recommendation was made by any of the committees to which it was referred.

After careful consideration of the information obtained from the sources enumerated, your committee respectfully recommends:

1. That an old age pension system be established at the earliest possible date for deserving indigent persons to seventy years of age and upwards.

I think there is no doubt that the present resolution deals with the recommendation stated in this particular report.

Mr. MEIGHEN: Was not that report reversed the next year?

Mr. HEAPS: As I said before, it is dated July 1, 1924. It is signed by W. G. Raymond, Chairman.

Mr. MEIGHEN: The later report reversed it.

Mr. HEAPS: The other recommendations are:

2. That applicants for pensions must be British subjects of at least twenty years' residence in Canada,—

And so on.

3. (a) That the maximum rate of pension be $20 per month which will be lessened by private income or partial ability to earn:

I think something in the resolution deals with that particular aspect of the question. The report continues:

(b) That one-half the amount of pension payable be borne by the federal government; the other half, by the provincial governments of such provinces as express by legislation their desire to adopt the system—the cost of administration to be borne by the provincial governments.

I believe the resolution follows exactly the lines of these recommendations. Then of course the report goes on to deal with other items which are not of very much importance at the moment, except this, to be fair to the right hon. leader of the opposition:

Your committee further recommends that the government communicate with the various provincial governments to ascertain if they are disposed to adopt the above system and enact the necessary legislation.

Mr. MEIGHEN: In the face of the replies received the committee reversed its report and brought in another one.

Mr. HEAPS: I do not know that that is entirely correct. Anyhow, Mr. Chairman, I want to deal for a few moments with some of the criticisms that were made this afternoon. Since I came into the House I have learned that one of the easiest things is to criticize destructively, but it is a different thing to criticize constructively. The criticism offered this afternoon has not been of a constructive character; it has been either destructive in its nature or it has been in the form of suggestions which would extend the provisions of the scheme considerably. If I understand correctly the attitude of the hon. member for St. Lawrence-St. George (Mr. Cahan) he expressed two conflicting ideas. First, he was entirely opposed to the principle of old age pensions; second, he tried to impress upon the committee the desirability of extending the provisions of the proposed bill. Now, a man cannot have it both ways, if he is opposed to old age pensions, then he must also be opposed to any extension of the principle. But it seems we have that kind of argument which would extend the scope of the measure and at the same time would oppose the principle of old age pensions altogether.

Mr. MEIGHEN: Was that report of 1924 adopted by this House?

Mr. HEAPS: I cannot say that it was.

Mr. MEIGHEN: I am informed that it was not. The report of 1925 was adopted.

Mr. HEAPS: I desire to point out that this question has been discussed by various committees of parliament for the past eighteen years, and if hon. members tell me to-night that the House has not given consideration to the question of old age pensions, I cannot understand their logic. Away back in 1919 a commission was appointed by the

then government to inquire into the question of industrial unrest, and I do not think hon. members on the other side would care to repudiate the findings of that commission.

Mr. GARLAND (Bow River): Their own commission.

Mr. HEAPS: I do not know what the hon. member means by that.

Mr. GARLAND (Bow River): It was under the jurisdiction of the government.

Mr. HEAPS: I will not say it was under their jurisdiction, but the commission was appointed by them. Very often these commissions report in accordance with the desires of the government in power.

Mr. GARLAND (Bow River): Hear, hear.

Mr. HEAPS: And what do we find? On page 19 of their report, which was signed by T. G. Mathers, Chairman, Carl Riordon, Chas. R. Harrison, Tom Moore and John W. Bruce, we find this:

> We recommend immediate inquiry by expert boards into the following subjects, with a view to early legislation:
>
> (a) State insurance against unemployment, sickness, invalidity and old age.

Nothing was done with the report of that commission in 1919, and nothing has been done to make effective their recommendations. It might be argued from their report that they recommended some form of contributory system under which the beneficiary himself or herself, as well as the government, should contribute. I think such a scheme would be impracticable in Canada. In Great Britain, Australia and New Zealand, where old age pensions have been in effect for the past fifteen years or more, they have a non-contributory system.

Mr. MANION: Is it not true that in England they adopted a system of non-contributory and also contributory pensions?

Mr. HEAPS: Yes. I was coming to that in a moment. In Australia—and it is the same in New Zealand—the pension is on a non-contributory basis.

Mr. BENNETT: The royal commission reported against that.

Mr. HEAPS: Yes. I think the hon. member for West Calgary referred to that the other day, but up to the present time the recommendation has not been adopted. What is the scheme in Australia? We are now attempting to put into effect a scheme whereby the old age pension is payable at seventy; in Australia it is payable at sixty-five. Now taking the purchasing power of money in Australia as compared with Canada, I would say that $20 in Canada would be considerably lower than the pension paid in Australia. I believe in Australia it amounts to £39 a year. The age is sixty-five for men and I think sixty for women; consequently we are considerably lower in our rate of pension than they are in Australia. In Great Britain the scheme started in 1908; the age for pensions was seventy, and it remained there until the beginning of the present year, when the scheme was changed and enlarged considerably. The age limit was reduced from seventy to sixty-five, but the pension was put on a contributory basis. In Canada we are starting with a scheme of old age pensions in the same way as they started in Great Britain and elsewhere, and when we have had the scheme in operation for a number of years something might be said in favour of a contributory system.

I cannot see that it is possible at this time to adopt a Dominion-wide scheme, because the British North America Act is a hindrance when we try to put into effect a plan of this kind and compel the provinces to adopt it. If the Dominion wanted to make it applicable to all the provinces, one of the provinces might refuse to accept it, and there is no compelling clause to make them accept it. It is said that the provinces which do not come under the provisions of the act will be paying for the benefit of those provinces, which do come under it. Of course that kind of thing is going on all the time in Canada. We in the west might say we are paying for the wharves and docks built in the province of Quebec. But we do not complain of that expenditure. Quebec seems to be a rather favoured province in regard to government expenditure. I do not think there should be any complaint if the eastern provinces do not take advantage of the provisions of this bill in regard to old age pensions. But when we are dealing with old age pensions the government should bring in a bill equal in its application to all the provinces and should give the provinces the right to refuse to come in if they so desire.

If it is left to every individual province to enact legislation along the lines of old age pensions, what are we likely to see? What is happening now in regard to other social legislation in Canada? You find one province with a Workmen's Compensation Act, and another province with a very poor imitation of it. You find one province that has a Minimum Wage Act, and other provinces without such legislation. You find some prov-

inces with eight-hour day legislation and others which have not such legislation. That is one of the bad features about social legislation in Canada. When I was in Manitoba recently I was in touch with certain manufacturers there who objected to the low wages being paid in some of the eastern provinces. They claimed that while the Minimum Wage Act had been recently placed on the statute books it had not been enforced, and that the manufacturers of Manitoba, who are paying a minimum wage of $11 and $12 a week, had to compete with eastern manufacturers who were paying $5 and $6 a week. That is the effect of having nine governments deal with a problem that should be dealt with by one central authority. That is why I want to see Dominion legislation in this matter. Its application would be uniform in all the provinces, and one province could not get the advantage of the others by keeping outside the provisions of the act—

Mr. McGIBBON: What industries in the east are paying $5 and $6 per week and where are they?

Mr. HEAPS: There are some eastern firms who are paying wages of about $6 per week.

Mr. McGIBBON: Name them.

Mr. HEAPS: In Quebec.

Mr. McGIBBON: Name the industry.

Mr. HEAPS: I do not think it is necessary to name the firm. I have made the statement and it can be proved if necessary. In fact I was in Montreal on Sunday last and a manufacturer there told me that girls applying for positions in his establishment stated that they could not work for less than $5 a week. That wage is paid in some of the eastern parts of Canada. I am not referring to Ontario at all. I know they have a Minimum Wage Act here, and I think it is being generally oberved. I want to see legislation of a similar character in all the provinces; I do not want to see any one province in a worse position than another.

This old age pension legislation has been asked for by the labour forces in all parts of Canada; I do not think there is a labour organization in Canada on record as being opposed to it. I would like to see the federal government assume a much larger share of the cost of this legislation. In fact if I were to go through the bill and say what I would like to see, I would be opposed to many of its provisions; at the same time I want to see legislation of this kind put on the statute book. We are to-day about fifteen or sixteen years behind other parts of the empire in legislation such as this, and if we have to wait until all the nine provinces are ready for an act of this character I am afraid that we may have to wait for a good many years yet.

I notice that a committee that recently investigated the question of migration from Great Britain has suggested that there be put down on the agenda of the forthcoming Imperial conference to be held this fall the question of the standardization of insurance schemes throughout the empire, and that contributory pensioners should be credited with a year's pension when proceeding overseas. Although that question is down on the agenda of the Imperial conference for discussion this fall, our Prime Minister, or whoever represents Canada at that conference, will have to confess to the conference, to the delegates from New Zealand and Australia and the representatives of the British government, that in Canada we have no old age pensions at all. What does that mean? It means that we in this country are more backward in our social legislation than they are in other parts of the empire.

It may be true that this legislation is not going as far as I should like to see it go. I should like to see it go as far as it does in Australia. I should like to see blind people included, and invalidity insurance established in this country, but invalidity insurance is something apart altogether from the question of old age pensions. I would like to see it made possible for men to earn sufficient when they are working to tide them over the period when they may be unfortunate enough to be invalided, but I claim that this piece of legislation is a step in the right direction. It is something that has been asked for by labour for many years past; organizations of various characters throughout the Dominion have asked for it, and if we put this on the statute books of the Dominion, we shall only be putting into effect legislation which has already gone into effect in other parts of the empire some fifteen or twenty years ago.

Mr. McGIBBON: Is there any class of people in this country that the hon. member would not put on the payroll of the state?

Mr. HEAPS: If I could get a sensible question from the hon. gentleman, I would answer it.

Mr. STEVENS: Mr. Chairman, I want to say at the outset that for many, many years I have realized, and publicly recognized, the

desirability of some legislation that would make provision for the care in old age of deserving citizens. As a principle, or as a measure of social legislation, I think it is one that ought to have the careful attention of the people of Canada.

I am also aware that this subject has been discussed for many years in Canada, as the hon. member who has just sat down (Mr. Heaps) has said. It is also correct that in the last two sessions a special committee of the House has studied the problem and made reports. But I want to say to the government very, very frankly, and to hon. gentlemen who are supporting this particular resolution, that in my opinion, and I speak as one who has advocated for years a measure of legislation to bring about the care of those in old age, this resolution if passed into law in the form of a bill based upon the resolution will not have that effect. It is just as certain as that we are present here to-night that a year from now, or two or three years from now, if this measure passes the Senate, there will be no old age pension for the old people of Canada. I am convinced of that in my mind, and I will give my reasons. I hope I shall be given credit for giving my opinion honestly, although it may not be in the form the government might wish.

In the first place, I would like to refer to the two previous reports that have been made on this subject. First there was the report of 1924. That report, which was never adopted, and the House should bear that in mind, recommends an old age pension system for deserving indigent persons of seventy years of age and upwards. I call attention to that, because it is really the main principle of that report.

In another clause that 1924 report suggests that the federal parliament should pay one-half and the provinces one-half of the pension, but the committee went on to point out in this report, which was presented on July 1, 1924:

> Your committee further recommends that the government communicate with the various provincial governments to ascertain if they are disposed to adopt the above system and enact the necessary legislation.

That was an honest and a serious suggestion. Why was that recommended? The committee which had studied this question knew that it was perfectly useless to pass the legislation unless the governments of the several provinces were willing to co-operate, so they suggested in the report itself: Here is a scheme which we think will work, but before it is passed into legislation the provinces should be consulted. Now that part of the report was never considered by the government. There was no consultation with the provinces; I am not speaking of last year, but of two years ago. No effort was made by this government to bring the provinces into harmony so that when the legislation was finally introduced it might be useful and effective if all were agreed upon it.

Mr. NEILL: The hon. member says that the government made no attempt to carry the 1924 report into effect. The government did communicate with the various provinces, as the report of 1925 will show.

Mr. STEVENS: No. There may have been informal communication, but the Prime Minister knows that in this sort of thing you must get the provinces together in conference, and have some definite scheme in which the provinces will agree to join.

Mr. MACKENZIE KING: It is before them now in this bill.

Mr. STEVENS: I will deal with that in a moment, I submit that there was no conference of the provinces held, and no effort made to hold one.

Mr. NEILL: We did not ask for a conference in the 1924 report, but we asked that the provinces be communicated with, and that was carried out.

Mr. STEVENS: There were a number of answers from the provinces, but I do not wish to go into that. My point is that there was no scheme arrived at in conference between the provinces and the Dominion.

Now I come to the legislation proposed in this resolution, and again I want to inject this, that I am not opposing the principle of old age pensions. I am endeavouring to show that this resolution will not give effect to the desire of those who wish to see old age pensions come into effect. Take the first clause of the resolution, which reads:

> That the Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions hereinafter specified and regulations made under the proposed legislation.

Then in clause 3, which must be read in conjunction with clause 1, otherwise it is meaningless, we have this:

> Before any agreement so made comes into operation, the Governor in Council shall approve the scheme for the administration of pensions proposed to be adopted by the province.

I ask any member of this House, particularly members of the government who have had experience in provincial governments—my hon. friend who is in charge of this bill was for a number of years a minister in the provincial government of British Columbia; the Minister of Agriculture and other members of the government have also had experience in provincial governments—what provincial government or what provincial legislature is there in Canada to-day that will submit its legislation to the approval of the government in Ottawa?

Mr. HEAPS: Is it not desirable to have uniformity in legislation on old age pensions?

Mr. STEVENS: Absolutely; that is what I am trying to show. But this legislation will never accomplish that.

Mr. HEAPS: Yes it will.

Mr. STEVENS: My hon. friend, I think, is quite sincere in his support of the measure. His idea is to have uniform legislation all over Canada.

Mr. HEAPS: Yes.

Mr. STEVENS: Quite so. I agree with him there, but I am trying to point out that the very provisions of this bill will vitiate that and make it ineffective. I ask again what legislature or government of any province will submit its legislation to this government—not to this parliament but to this government—before they enact it?

Mr. MACKENZIE KING: Lots of them have done so.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: They did it in the case of the legislation for the building of roads, the advancement of technical education, for agricultural instruction, and several other measures.

Mr. STEVENS: The highways bill was an entirely different matter, and by the way, it has been called into question by my hon. friend's supporters for years, and I would hesitate to support it again myself. The highways bill was a gift from the government.

Mr. MACKENZIE KING: So is this a gift.

Mr. STEVENS: No, not exactly.

Mr. MACKENZIE KING: Yes.

Mr. STEVENS: No.

Mr. MACKENZIE KING: Yes.

Mr. STEVENS: Not at all.

Mr. MACKENZIE KING: Yes.

[Mr. Stevens.]

Mr. STEVENS: You are asking the provinces to pass legislation which must be submitted to the Governor in Council at Ottawa before it becomes effective.

Mr. KING (Kootenay): In order that the legislation may be uniform.

Mr. STEVENS: Why do you not go to the provinces beforehand and get an agreement with them before you do anything? Why do you not bring in a bill which will reflect the opinion of the provinces?

Mr. KING (Kootenay): We want to get on.

Mr. STEVENS: My hon. friend does not want to get on. To be perfectly frank I say this: the hope, the expectation, the desire of this government is that the bill to be founded on this resolution will go to the Senate and that the upper house will view it as an abortive piece of legislation and reject it.

Mr. KING (Kootenay): I dissent altogether from that statement. This government and the party it represents proclaimed to the people of Canada in convention that they proposed to bring in legislation to provide for old age pensions. This resolution represents the effort of the government representing the Liberal party in this country.

Mr. STEVENS: I am trying to show the minister that the proposed legislation will be wholly abortive. If the only guarantee of the soundness of the legislation is that it was passed in a Liberal convention, then it is an absolute guarantee of the government's desire to evade the issue.

Mr. MACKENZIE KING: Does my hon. friend not recognize the fact, in speaking of the Senate, that the bill can only be thrown out in the upper house if a majority of his own party reject it?

Mr. STEVENS: Quite so. That is the precise proof of the correctness of my statement.

Mr. HEAPS: Will the hon. gentleman recommend his own party in the Senate to pass the bill?

Mr. STEVENS: As far as I am concerned I will recommend the Senate to pass an old age pension bill that is going to be useful and effective. Now I am going to finish what I was about to say, and I am receiving support from the interjection of the right hon. Prime Minister. He says that if the bill is thrown out in the Senate it will be rejected by a majority composed of friends of this party. That is the hope of this government.

Mr. MACKENZIE KING: Not a bit of it.

Mr. STEVENS: It is the hope of this government. It is the government's hope and expectation that the Senate will throw this legislation out—

Mr. MACKENZIE KING: If the Senate throw it out they may expect to hear a great deal from this party about it.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: If my right hon. friend would only let me finish my sentences when I am on my feet; unfortunately he finishes the sentence for me. This is the reason the government hope the Senate will throw the bill out: so that they can go before the country and say, "Here we have the Tory Senate throwing out the Old Age Pensions bill." They will make an appeal of that kind in regard to a useless piece of legislation.

Mr. HEAPS: Will my hon. friend permit me one more question?

Mr. STEVENS: I should like to be allowed to finish my sentence.

Mr. HEAPS: Will my hon. friend make some suggestion of a constructive nature that will make the bill more useful?

Mr. STEVENS: I should like to finish one or two of these sentences that I have tried several times to complete. The Prime Minister is so anxious to help me out that he rather gets in before me. I say this again: The government expect and hope that the Senate will throw this bill out because it is more or less a controversial piece of legislation. I venture to say there will be—what? Fifty members sitting behind the Prime Minister, fifty members of his own party, who would rather this legislation was not before the House.

Some hon. MEMBERS: Name them.

Mr. STEVENS: Yes, I can name them. They are over there by the dozen.

Mr. HEAPS: Will the hon. gentleman answer the question I asked him a few moments ago?

Mr. STEVENS: Yes, but I should like to finish this part of my remarks first. I say there are behind the Prime Minister fifty—to-night there are not very many of them there—who would rather this legislation was not before the House.

Some hon. MEMBERS: Name them.

Mr. STEVENS: They realize there is some political advantage in it. I realize that a large section of the people of Canada favour this legislation. I supported the principle, and have done so for years. I did so long before this government had the courage to bring it in, because I think legislation is good, but not of this particular type. The government's hope is that the Senate will throw it out and relieve them of the embarrassment which it causes. And why will the Senate throw it out? If the Senate throws out this legislation it will do so because it knows it is not effective. That is the reason.

Mr. MACKENZIE KING: I rise to a point of order. I think my hon. friend is going beyond the mark when he undertakes to tell this House what the Senate will do. My understanding of the rules is that no reference should be made here to the actions of the upper house. My hon. friend is telling us in advance how the Senate proposes to deal with legislation on old age pensions when it comes before that venerable body. I submit he is out of order in so doing.

Mr. STEVENS: The right hon. Prime Minister is wholly wrong in his description of what I said. I said what I felt in my heart, that this government desired and expected the Senate to do something. I did not say what the Senate would do. I will go further and say this: So far as I am concerned if I had any influence with the Senate I would advise them to pass the legislation, even though it is of an abortive character, so that the uselessness of it may recoil upon the government's head.

Now I come back to the resolution. It says:

> That before any agreement so made comes into operation, the Governor in Council shall approve the scheme for the administration of pensions proposed to be adopted by the province.

Thus not only the main principles of any legislation but the scheme of administrating it must be submitted to this government for approval. When I say "this government" I mean the federal government; it does not matter which government it is. We know perfectly well that the federal government may be Conservative or may be Liberal. The provincial government may be of one or the other complexion. There may be a conflict of opinion politically between the provincial and the federal government. A provincial government of Liberal persuasion may pass certain legislation and submit it to the approval of the Governor in Council of a Conservative gov-

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ernment at Ottawa, and all the possibilities of political animosity are there so as to render the working together of the two governments impossible. In any case, this type of legislation should not be made subject to a provision of this kind. Further the resolution says: "no change" whatsoever—the word "whatsoever" is not in the resolution, but I am putting it in to emphasize the point—"in such scheme shall be made by the province without the consent of the Governor in Council." That is, a provincial legislature having passed a bill for old age pensions and having got it into operation, cannot modify, change or in any way touch that bill without first coming to the federal government and receiving approval by order in council.

Mr. KING (Kootenay): If action is to be a joint matter between two governments—and that is the intention of the bill—the federal government being the parent government introducing the legislation, surely as a matter of common sense, if a provincial government wishes to vary the operations of legislation that this parliament will pass, it must have the concurrence of the parent parliament that originated the bill. My hon. friend will not for a moment argue that that is not a proper course to follow if the bill is to be effective.

Mr. STEVENS: I am trying to argue that the bill will not be effective.

Mr. KING (Kootenay): Unfortunately.

Mr. STEVENS: What I am trying to point out is this. We will assume that they get such a bill into operation. If any one legislature out of nine desires to have some clause different from what another legislature has, it cannot have it without the consent of this government. Furthermore, a provincial legislature, for instance British Columbia—and I understand the Hon. John Oliver has intimated that he is prepared to pass an old age pension law—may propose certain legislation satisfactory to the people of British Columbia and acceptable to that legislature. But that legislation might not suit the provincial legislature of Ontario or of Nova Scotia, and unless this government consented to such legislation passed by any one of the three or all of them, it could not become applicable and they could not take advantage of this bill. By attempting to pass a measure of this kind before a conference of the provinces is held and an agreement on the part of those provinces secured, the government are passing a piece of legislation that will be a joke on the statute books of Canada.

[Mr. Stevens.]

I think the hon. member for Comox-Alberni (Mr. Neill) said that the provinces had been consulted. I have not under my hand the replies of the provinces, but so far as I can recollect—and I will speak subject to correction—I think the majority of those replies are of a character indicating that the provinces do not wish to join in a scheme with the federal authorities.

Mr. KING (Kootenay): No.

Mr. STEVENS: That is a fair statement as regards all except one, I understand. I will not argue it down to any fine point, but I know that the replies from the provinces do not indicate any real unanimity of opinion.

Mr. NEILL: While there may have been no unanimity in favour of it, opinions were divided throughout the country. But those replies were made before the decision was given by the Department of Justice that the matter was one for the provinces to deal with, and therefore it is much more now to their advantage to agree than it was at that time.

Mr. STEVENS: That answer would be all right except for one thing—the Department of Justice did not make such a statement. The whole atmosphere surrounding these replies indicates what I am getting at, namely, that this government in 1924 and again in 1925 ought to have called a conference of the provinces. How could you expect to get any unanimity of opinion by writing nine letters to nine provincial governments asking their opinion on a given subject? You are going to get as many opinions as letters you write. But if you get nine people around a table to confer on a given question with the federal authorities declaring that they have taken the lead in the matter, then you would have some hope of getting unanimity.

I wish to draw the attention of the committee to the fact that a genuine effort has not been made by the government in this matter. I do not like to indulge in prophecy, but I predict that one year, two years or three years from now this legislation will be a dead letter on the statute books of Canada if it passes both Houses of parliament this year. It is pretty late in the session and perhaps hopeless to get a conference of the provinces, but I would say to the minister: Get a conference of the provinces as soon as possible; even if this legislation passes, get a conference of the provinces and bring them together with the idea of having some

unanimity of opinion so that the parliament of Canada may pass legislation that may be effective.

In connection with this resolution there are other points that might be studied with profit, but I do not wish to detain the House at great length. Clause 2 reads:

That every agreement so made shall continue in force so long as the provincial statute remains in operation—

That of course sounds all right, but a province might pass the legislation; it might draw from this treasury a certain number of quarterly payments for two years, three years, five years, and then drop the scheme. It could fail to vote the necessary supply, or repeal the legislation, or drop it, and so it passes off the books and off the scene. As I pointed out before, the very nature of this legislation leaves a province in the position to step in or step out. Let it be a definite agreement by all the provinces to enact such legislation supplemented and assisted by federal legislation and you may have something effective. But I have a suggestion—and I am replying now to the hon. member, not at present in his seat, who asked me a moment ago what suggestion I would make. I would suggest that the federal government determine themselves if they sincerely want to give old age pensions. If they now say they do—and they are sincere in this although I must say I do not read in the pages before me any evidence of sincerity—let them bring in a definitely and exclusively federal old age pension scheme, and I will support it. In fact if I have nothing else, I will support this just as an evidence of my good faith, but I declare to the House again that in supporting this I feel that I am supporting something that is really trifling with the good faith of the old people of this country.

Mr. MACKENZIE KING: In reply to the suggestion just made, my hon. friend's colleague, the hon. member for West Calgary (Mr. Bennett) told us the other night that if we did what he suggests the chances are it would be declared we had no authority to deal with the matter at all; that it was a provincial matter. He agreed with us that the only way in which we could proceed with a sense of security in the matter of an old age pension bill was by co-operation with the provinces.

Mr. STEVENS: Very good. I say to the Prime Minister, as I have already stated: Show your good faith by bringing the provinces together and bring before them a measure that is composite in its form as representing the views of the provinces as well as of this parliament.

Mr. MACKENZIE KING: Just as a step towards reaching, as quickly as possible, the point my hon. friend suggests. What is there to prevent the government from having the provinces come together, and assisting them in discussion by placing before them a measure that has already received the approval of this parliament and asking them if it requires amending in order to be wholly acceptable to them? If it does not, we are that much further ahead. If it does, we can have it amended.

Mr. STEVENS: That is a very plausible argument. Why did the minister not take the 1924 resolution a year ago to the provinces? Then he might have come here to-night with something that would be effective. I have about as much hope—I say this with kindness, but quite frankly to the Prime Minister—of evidence on the part of the government of taking this bill to a provincial conference in order to get the co-operation and support of the provinces as I have knowledge of their taking that resolution of 1924. It is for that reason that I have criticized this measure to-night. I believe it will be abortive, but even at that I wish to support it, not because I approve of its terms, but because I regard the following words in the resolution as the only declaration contained in all this legislation that has any degree of clarity or of sincerity, namely, "A measure respecting old age pensions."

Mr. BLACK (Yukon): The government professes its sincerity in the desire to pass this legislation. Perhaps the Acting Minister of Labour can tell me whether the legislation foreshadowed by the resolution now before us will include the Yukon and the Northwest Territory. If it does, does not the word "province" in subsection (d) of section four limit the application of the resolution solely to the provinces?

Mr. KING (Kootenay): The Yukon and the northwest will be provided for in the bill.

Mr. BLACK (Yukon): They are not included in this resolution.

Mr. KING (Kootenay): They will be, in the bill.

Mr. STORK: Little remains to be said in reference to the resolution. We have had a lengthy discussion this afternoon and evening following an equally exhaustive debate

when the resolution was last before the committee, and I fancy the matter has been fairly well covered from every angle. I have no lengthy remarks to offer but I certainly do think that this is a very notable step in the direction of social legislation, and I want to associate myself with the movement. As has been pointed out to-night, the question has been considered at various times from 1907 to the present day. We realize that a great deal of vacillation has marked the movement. The matter has been discussed by this House on different occasions, and it has been debated in our provincial legislatures. But where a scheme of this kind is passed on from one authority to another and back again we can readily see that no definite action will ensue. Somebody must take a definite step or nothing will be done.

The government in my opinion is to be commended upon having taken the initiative in the matter of old age pensions. I agree with some of the things that have been said touching the resolution, which perhaps is not all that might be desired. Some people will argue, for one thing, that the age limit is too high. However, it is a matter for gratification that at least we are taking a step in the right direction, and it is only a question of time until the various improvements which are being advocated will be incorporated in beneficial legislation. I am glad to see that the legislation is meeting with support, for it will assist a class of people who are most in need of the relief which is promised. This is a young country that offers opportunities to those who are anxious to work, but we must not overlook the fact that even in a young country there is a good deal of tragedy in life. This scheme, if I understand it, is designed to alleviate the hardships of those who are suffering from physical disability and who consequently cannot support themselves.

Not long ago a warm friend of mine found himself in sad straits as a result of a misfortune which he could not possibly have foreseen. Year after year he had faithfully contributed to an insurance scheme, and when the fraternal society of which he was a member collapsed, at least when its financial stability was discovered to be insecure, it was decided, in order to save what was left of the wreck, that men above a certain age should be completely debarred from sharing in the benefits of its insurance. Many men were left destitute in consequence of this appalling tragedy. Not long ago, in the province of British Columbia, a man who had been rated as very wealthy retired after having placed every dollar he possessed in a financial institution which failed. This was one of the great crashes that occurred in western Canada. This man was well known throughout the province, and when it was learned that as a result of this failure he had lost every cent he had in the world the sympathy of the people went out to him from all parts of the province. But what about the thousands of people in Canada who are left in exactly the same position through financial failures and who, because of their humble station in life, do not receive the same wide sympathy? These people suffer just as severely, but the average citizen in the country learns very little of their tragic fate. The purpose of the present legislation is to come to the assistance of such people, who are certainly entitled to every consideration that can be shown them by this country in their old age. For that reason I support the resolution.

Mr. MANION: Some of the remarks that have been made on the resolution before the committee have reminded me of other questions upon which perhaps I may be allowed to offer a few comments. The Prime Minister (Mr. Mackenzie King) observed to my hon. friend (Mr. Stevens) that if the Senate should attempt to reject this legislation the Senate would certainly hear about it. It occurred to me that we have been hearing similar threats in reference to the Senate for the last two or three years, but we have never seen those threats put into effect. Throughout the last election campaign the Senate was the subject of considerable discussion, so much so that it came to be an important issue for decision in the country. We were told that the government were out to reform the Senate; that was their promise. But like most of the other promises of this government the undertaking to reform the Senate has gone by the board. A conference was to have been held last year to consider the question of Senate reform, but that conference has never been held. Nor was there held any conference such as was recommended by the committee which dealt with the matter of old age pensions.

I want to refer very briefly to another matter. The hon. member for Kenora-Rainy River (Mr. Heenan) has said that the Conservative party has always taken an attitude of opposition to such proposals as the one now before us. May I remind that hon. gentleman that it was the Conservative party in the province of Ontario who instituted the Workmen's Compensation Board which has proved such a great blessing to the working classes of that province.

Mr. HEENAN: What I said was that the Conservative party having advocated these things on the platform, I wanted to see its members vote for such measures in the House.

Mr. MANION: So far as I have been able to see, the Conservative party has done more to fulfil its pledges in matters of this kind than any other party. If I mistake not, it was the Conservative party that brought about mothers' pensions in Ontario.

An hon. MEMBER: No.

Mr. MANION: Well then, I am subject to correction. My hon. friend here mentions that it was framed by the Conservative party, and their successors enacted it. However, the Workmen's Compensation Board Act probably has been the most important legislation for the working men of Ontario that has ever been placed upon the statute books of the province, and it was introduced by the Conservative party.

Now, in regard to the principle of this bill, I, like all the other members who have spoken, believe in looking after the old people of this country. I do not think there is a more pitiable tragedy in the world than a man who in his old age is reduced to poverty. I might point out that in China and Japan no such legislation as this is required, because although they are what we call heathen countries, their people hold their ancestors in such reverence that none of their old folk are allowed to go hungry and unsheltered. Under their traditions of ancestor worship their old people must be looked after by any relation, whether he be son or daughter or some more distant connection.

Mr. CAHAN: We have a statutory provision to that effect in the province of Quebec.

Mr. MANION: I am very pleased to hear my hon. friend bring that out. I had intended to refer to the situation in his province. But I was speaking of the attitude of the so-called heathen countries as opposed to that of many of our nominally Christian countries in this regard. After all, old people are very often in a poverty-stricken condition due to several causes, some entirely beyond their control. Sometimes they are indigent owing to unfortunate investments, as happened to many of the depositors of the Home Bank already referred to in this discussion, or to the operations of some swindler; others, again, have always had to struggle along with very low wages. I have some figures before me given by a Mr. Squire, who points out that in the state of Massachusetts, which is one of the richest in the union, the average per capita income is only $788. He points out also that one in four citizens in that state over sixty-five years of age requires financial assistance. It is rather a striking fact that such a strongly industrial state as Massachusetts should have so large a portion of its people in penury when they reach sixty-five or seventy years of age. Then another cause is improvidence, and naturally we are reluctant to look after those who have been utterly careless with their money. After all, it is difficult to ask those who have provided for their old age to contribute to the support of those who have made no such provision. At the same time, our Christian spirit should prompt us not to neglect even the improvident in their old age.

I find that in different countries there are different types of pensions. There is what is called the service pension—such as this—which is given to all old people who apply for it and can prove their need, and is granted without any contribution on their part either early or late; then there is the contributory pension; and finally the annuity type, such as we have in this Dominion, which the people themselves buy. I shall come back to this point in a moment. But one of the reasons why I think this legislation is premature is that it is not brought forward really with the intention of providing old age pensions, because it does not comply with the report made last year by the Old Age Pensions committee. That committee sat under Mr. Raymond, and my good friend from Parkdale (Mr. Spence) was another member. After going into the question very throughly it brought in a report, the first and most important recommendation of which was that a conference should be held with the premiers of the different provinces to deal with this question. I repeat, that conference was never held. It should have been held before this legislation was brought in because unless you can get the different provinces to co-operate with the Dominion in this scheme, you are going to bring about the injustice which was pointed out by the hon. member for Labelle (Mr. Bourassa), by my hon. friend from St. Lawrence-St. George (Mr. Cahan) and by the Premier of Quebec —this injustice, that the province which is not taking part in providing old age pensions for its people is to a certain extent paying the bills of the other provinces that do take advantage of the scheme. It is true that the provincial governments were written to by the Dominion authorities some time, I think, before the committee made its report, but I

have read very carefully the replies from the premiers and not one of them openly and wholeheartedly said that his government was ready to co-operate with the Dominion government. True, one of the premiers was a little doubtful in his reply and more or less encouraged the scheme, but I think of the other eight some said absolutely they would have nothing to do with the scheme at all, and the others threw cold water upon it or took the attitude that it was a matter of federal aid entirely and they should not be called upon to bear any portion of the burden.

Mr. HEAPS: Can the hon. gentleman say just how many of the provincial governments actually opposed the principle?

Mr. MANION: Let me quote the various replies as set out in the report:

New Brunswick.—Under date of May 23rd, 1925, the Premier (Hon. Mr. Veniot) writes: "This province is now considering the establishment of what is known as Widows' Pension, and we are not prepared to take any decision in the matter of an old age pension.

That is strong enough I should think. He goes on to say:

While I do not disapprove of the old age pension, and feel that it would be a good thing, yet it would be impossible for me to commit the province to any action in this matter at the present moment."

Certainly that is opposing the principle.

Mr. KING (Kootenay): He simply says "at the present moment."

Mr. MANION: "We are not prepared to take any decision in the matter of an old age pension."

Mr. HEAPS: "At the present moment."

Mr. MANION: The second reply is from Quebec:

Under date of February 17th, 1925, the Minister of Public Works and Labour (Hon. Mr. Galipeault) writes: "On the occasion of the recent visit of the delegates of the Trades and Labour Congress of Canada, this question was taken up and, although it was not submitted in the regular way to the cabinet, I understood from the remarks of my colleagues, that it could be no question for the province of Quebec, considering the obligations actually imposed upon it, of adopting a law which would take care of the old age pensions in this province."

Is not that a refusal? Only the other day Premier Taschereau made a speech in which he distinctly said his government was not in favour of old age pensions, and members from that province who have so far spoken in this debate, including the hon. member for Labelle, have also taken that attitude.

Under date of June 2nd, 1925, the Premier of Nova Scotia (Hon. Mr. Armstrong) writes: "In view of the importance of the subject matter, and the lack of an opportunity to fully consider the same, I was instructed to advise you that without a further and better understanding of the subject-matter and without an opportunity to fully discuss it with your committee, no action would be taken upon the matter at present."

That is three, and we have not discovered any agreement yet.

Mr. KING (Kootenay): No one opposes the principle.

Mr. MANION: Every one.

Mr. KING (Kootenay): No.

Mr. MANION: Well, my hon. friend and I do not interpret the English language in the same way.

Mr. KING (Kootenay): We do not.

Mr. MANION: The next reply is from Prince Edward Island:

Under date of May 22nd, 1925, the Premier (Hon. Mr. Stewart) writes: "In this province, as you probably are aware, except in the towns, we have no municipal government, consequently all assistance to indigent and aged persons is furnished directly by the provincial government, either in the Provincial Infirmary or by monthly contributions to private persons who become responsible for their support. I have read over your letter and the accompanying report with interest. I shall place the matter before my government at its next meeting and will then advise you of its decision."

I understand they have not heard from him from that day to this, so he has not very enthusiastically supported the scheme.

Mr. HEAPS: Do you call that a refusal?

Mr. MANION: It is a very polite way of refusing. Regarding Ontario—

Under date of 24th November, 1924, the Premier (Hon. Mr. Ferguson) writes: "I shall be glad to consider the matter."

That is the fixed formula that the Prime Minister of this government and every other government employ when they want to get rid of importunate people. That is all he says.

Then the reply from Manitoba, under date 25th February, 1925, from the Attorney General, Hon. Mr. Craig, is as follows:

We are in the midst of our session just now with the multiplicity of matters requiring immediate disposition. I shall, however, take up the matter with the Premier and the Minister of Public Welfare at the earliest opportunity.

That is another gentleman who has forgotten to take it up. Then I come to Saskatchewan. Under date of 19th November, 1924, the Minister of Labour and Industry, Hon. Mr. Gardiner, who is now I believe Premier, writes:

The government of Saskatchewan is of opinion that an old age pension scheme for Canada can best be adopted by the federal government alone.

I may tell my hon. friend from North Winnipeg (Mr. Heaps) that this is not a refusal.

There would seem to be so much difficulty in the way of providing any scheme that would be suitable to all the nine provinces of Canada as to make it almost impossible, and it will be readily understood that if any number of the provinces were to remain out, it would be almost impossible to adopt any scheme that would not subject those provinces within the arrangement to considerable expense that should rightfully be borne by those outside the scheme. While we are disposed to think that an old age pension scheme should be undertaken, the difficulties in the way of the suggested scheme appear almost, if not entirely, insurmountable.

Not much encouragement there. Then we come to Alberta, and under date of June 2, 1925, the acting premier, Hon. George Hoadley, writes:

This government has reviewed the recommendations of the committee and approve of the general principle of old age pensions.

I have not heard anybody who did not approve of the principle.

We are not prepared, however, to accept the recommendations of the committee. The three main objections are: (1) We believe that the federal government should assume a larger share in the financing of an old age pension scheme as it is more a federal obligation than a provincial one; (2) We are not satisfied that a non-contributing scheme is the best one; and (3) There is no guarantee that the federal government would continue for a definite time to carry out the mutual arrangements with respect to financing the scheme.

They have not much faith in this government. Then we come to British Columbia, and my recollection is that British Columbia was the only one which gave any encouragement to the scheme. Under date of February 5, 1925, the Minister of Labour, Mr. Manson, writes:

This matter has been carefully considered by the government and also by the provincial legislature at its last session, and the consensus of opinion is that the matter of old age pensions is one entirely in the sphere of the federal parliament—

I was wrong when I said that they were in favour of the scheme.

—and this government does not concur in the suggestion made by the committee that a portion of the cost of such pensions be borne by the provincial crown.

Mr. NEILL: I will make the same objection to what my hon. friend says as I made to the statement of his deskmate, namely, that it must be borne in mind that all the replies were given before the report of the Department of Justice was submitted to the effect that the matter was entirely a provincial matter. Since then British Columbia has entirely changed its point of view, and not only has endorsed the principle, but has pledged itself to endeavour to persuade the other provinces to do likewise.

Mr. MANION: All the more reason for holding a conference of the premiers before bringing in this half-baked piece of legislation. My hon. friend from Vancouver Centre (Mr. Stevens) calls my attention to a letter from the Minister of Labour of British Columbia, dated March 5, 1925:

I beg to say that the matter has had very serious consideration on the part of this department and the opinion is confirmed that the matter of old age pensions is a subject for the consideration of the federal and not the provincial parliament.

That confirms the statement that all of them were against the scheme. I thought that the reply of one province was favourable to it, but I was wrong; apparently none of them agreed to it. This government presents a scheme by which the Dominion parliament and the provincial parliament are to co-operate, yet not one of the provinces agrees to co-operate. How are they going to put it in force?

Mr. MACKENZIE KING: In reference to the answers from the nine provinces, which the hon. gentleman has just read, I might say that those very replies convinced the government of the futility of ever having an old age pension scheme enacted by correspondence with the provinces. We concluded that the best way would be to enact concrete legislation. We thought that was the only way we could get anywhere.

Mr. MANION: That seems to me an extraordinary way of doing business with any person—to make your agreement first and then ask the other parties to accept it. Why not make your arrangements with the provinces first? The Minister of the Interior came in with a piece of legislation based exactly on the same principle.

Mr. STEWART (Edmonton): Assistance to settlers.

Mr. MANION: I criticized this legislation on exactly the same grounds as I am criticizing the legislation to-day. The land settlers bill was one designed to help to get the settlers on the land, and the Minister of the Interior said he intended, after the act was passed, to discuss the matter with the different provinces. The time to discuss the matter with the provinces is not after you pass your act, but before, so that you can bring in an act which is the consensus of opinion of the different provinces, in co-operation with the Dominion.

I am making suggestions as to a pension scheme, and I am not opposed to the principle. I am not making factious objections. I object to this bill because I consider it is merely a gesture, thrown out for the purpose of proving

that my good friend the Prime Minister wrote what he meant in that book he published some eight or ten years ago, which he read the other evening when he was discussing the matter, and showed by that—and I do not criticize his sincerity—that he believed in old age pensions when he wrote the book. But what struck me then was the fact that he waited until he was in such a position that he could not carry out the scheme without the support of the independent group in this House before he brought in the legislation. It seemed a little inconsistent, if he believed as strongly in the principle as he said he did, that he should wait until this time to bring forward the legislation. I have an idea that this legislation is only a gesture, the same as the wheat board was a gesture, and the Trusts and Combines Act was a gesture, the Petersen contract and freight rates legislation. All these matters were important so far as the Dominion is concerned; they were all brought before the House and put through, but nothing was ever done with them. They were pigeonholed and were of no service to anybody, except perhaps they were the means of giving a little more salary to the civil servants and occasioned more expense by keeping the House sitting a little longer. This is not a scheme for old age pensions. It is a scheme for old age government. It is a scheme to convince this House that this government is out to help get old age pensions, whereas the government knows it cannot be carried into effect unless nine provinces agree; and it cannot be carried out unless it is a practical piece of legislation. If they had the consensus of opinion of the provinces in favour of it, no doubt it would pass the Senate and pass this House. But they have not the agreement of the provinces, in fact they have the opposition of the provinces, including Quebec.

I repeat that I favour the principle involved, and I believe that, as so-called Christians, we should look after our old people. We should not allow our aged to be down and out and to be dependent upon charity.

Mr. HEAPS: What would the hon. member suggest, to make the bill practicable, or to make old age pensions practicable?

Mr. MANION: A conference of the provinces. Let that conference be held, as suggested by the committee, to discuss the matter.

Mr. HEAPS: Would you wait until all the provinces agreed upon an act before you put it through?

Mr. MANION: I would wait for one or two of them. When we do not get one out of the nine agreeing, it is a poor outlook. I have read the report. We do not get any of them to agree. Why should the government endeavour to put this legislation through when none of the provinces agree?

Mr. HEAPS: Was there not a case some years ago where the Dominion government passed an act without the consent of the provinces, and subsequently the provinces consented to come under the provisions of the act?

Mr. MANION: That is a different principle. There are conditions under which this government has a right to legislate. My good friend from Comox-Alberni quoted a decision of the Department of Justice, and I think correctly, that this is a matter for the provinces and not for the Dominion.

Mr. HEAPS: I think my hon. friends opposite are at variance with each other on this question.

Mr. MANION: Who is?

Mr. HEAPS: My hon. friend is not in agreement with his right hon. leader.

Mr. MANION: I do not mind that. We have a good independent party, and have the courage to voice our own opinions. We are not under anybody's whip, so far as agreeing with anybody is concerned. We vote according to our convictions over here, but my hon. friends on the other side simply vote to keep themselves in power. That is the difference between that party and this. My hon. friend is not long in the House yet, but he will learn that shortly.

In addition to the points which I have brought out, there is this, which I think is most important of all. This scheme when it comes into effect should be made a contributory scheme. It should be a scheme in which the men themselves, as they go on working in their healthy time of life, will contribute something to look after themselves in their old age. That encourages the principle of personal thrift, and that is something we should encourage so far as we are able. I know what my hon. friend from Comox-Alberni is going to ask me: What about the old people of to-day?

Mr. NEILL: I was not going to ask anything.

Mr. MANION: I thought my hon. friend was getting up to ask a question.

Mr. NEILL: If the hon. gentleman would sit down, I would get up.

Mr. MANION: My hon. friend is up a good deal in the House. I think I will stay up and keep him down a little while. The principle of personal thrift is important to people all over the world, not only to our own people. I have noticed that Great Britain after having had an old age pension scheme in force since about 1908, last year brought in an amendment to their act making the scheme contributory.

Mr. NEILL: No.

Mr. CAHAN: A compulsory contributory scheme.

Mr. MANION: My hon. friend from St. Lawrence-St. George says it is even stronger than I put it. I will get the authority and show my hon. friend that I am correct. Germany has had an old age pension scheme since 1889, and their scheme has always been contributory. Sweden, Italy, Belgium, and many other countries have contributory schemes. Australia, New Zealand, and England up to last year, have non-contributory schemes, where the pension is provided without the pensioner contributing anything. But I submit that the proper system is the contributory system, whereby men are encouraged in their youth to save for their old age by contributing. Contributions might also be made by employers, and as well there should be assistance by the state.

I have offered these constructive suggestions, but the most important to my mind are these two: First, the system should be contributory, and secondly, we should get the provinces to agree before we insist on taking them into this scheme.

Mr. GERSHAW: I rise to express my approval of this resolution. I see no reason whatever to doubt the sincerity of the government. I have every reason to believe that if this resolution is put into effect a great many people in our country will benefit thereby. I quite realize that it does not cover the whole field. It does not provide for all those who are incapacitated, but I believe it will provide the necessities of life and some meagre comforts for a class of people who are deserving of more than kind words and good wishes. Some people after reaching the age of seventy find themselves with no provision for their old age. Some have their savings to fall back upon, others are kept by their children; some have insurance, and some are provided for by their employers. The large railway companies, for instance, not only provide compensation for a man who is injured, but pensions for men who have been a certain number of years in the service. The brotherhoods also provide pensions, on a contributory basis, for men who have reached a certain age, and pensions as well for those who are totally or partially incapacitated before reaching that age. Again, some are fortunate enough to have invested in annuities. I would like to point out that a man can secure an annuity of $100 per annum at the age of 65 by investing at 42 the sum of $357.81. I have recently been in the west, and I find that a great many people are interested in this legislation. I believe that it will meet with the approval both of those who hope to benefit by it and of others as well.

As to the two kinds of schemes, contributory and non-contributory, I find that Australia, New Zealand, Uruguay, Spain, Denmark and Norway all have non-contributory schemes. Some of the states across the line also have non-contributory schemes. The recent amendment to the British act provides for both contributory and non-contributory schemes. I think that a good number of people will be disappointed because in order to participate in these pensions they must have lived in Canada twenty years. Yet Australia has the same number of years in its scheme, New Zealand has twenty-five years, and Uruguay about fifteen.

Some hon. members referred to the question of cost. I believe it will be much less than $11,000,000. In view of the financial report which we had this afternoon, it seems to me that Canada at the present time is in a good position to initiate legislation of this kind, so that the federal government will have something definite and concrete to present to the provinces when they meet in conference.

Primitive people, Mr. Chairman, are not always kind or grateful to their old people. We in the west know of a case of an Indian woman who cut her own flesh to provide bait to catch fish for herself and her starving children, and yet that same woman died in want neglected by those very children she had helped in that way. It seems to me that as the family advances this filial duty is observed more generally. The state, which is a larger family, should also recognize its duty to look after the old people, and such recognition as this will not only mark a distinct advance in our civilization, but will also reflect credit on those who assist in passing this legislation.

Mr. MANION: May I be permitted, Mr. Chairman, to read just one sentence to correct a statement made by the hon. member for Comox-Alberni? I have here the memor-

andum issued by the Labour department in which I find that:

In Great Britain the Old Age Pensions Act of 1908 established a non-contributory system of pensions. This act was amended in 1911, 1919, 1924, and again in 1925, the last amendment providing for contributory pensions for certain classes of persons.

Mr. MACKENZIE KING: May I ask my hon. friend if he has read the English act of 1925? He will find, if he does, that as respects the very class we hope to serve in this legislation, namely, those who are already in advanced years, the English act provides for the state looking after them without any contribution.

Mr. MANION: I was just answering the point of my hon. friend from Comox-Alberni.

Mr. CHURCH: Coming from a large municipality where we have a number of old people who are in need of assistance of this kind, I support without any hesitation the principle of an old age pension. This is not a new subject at all. It has been before the municipalities of the province for a great number of years. Many countries have adopted an old age pension scheme—England, Belgium, France, Italy, New Zealand, Australia, and many other countries. Stanley Baldwin, the head of a Conservative government in Great Britain, is a believer in social legislation. In the province of Ontario, the late Sir James Whitney was in favour of the principle of an old age pension. It is pretty nearly time that this parliament, which is ready to spend millions and millions of dollars on transcontinental railways that are not needed, and on breakwaters and other material things of that kind, should do something for humanity, but when a question of this kind comes up, the British North America Act is trotted out and made a political football of, just because the country is asked to do something for humanity. We have millions to squander on material things, but not one dollar to relieve the aged, the blind, the poor and the suffering. The time has come when the federal parliament should take up and deal with many of these questions. It should relieve the municipalities of Canada of much of the burden of taxation which they incur in attempting to cope with social problems. The trouble in the past—we saw it in the case of technical education and other questions—has been that politics has been allowed to creep in and issues which should have been treated without partisanship have become political footballs. Timely action will produce the most beneficial results; an ounce of prevention is worth a pound of cure. In the larger

[Mr. Manion.]

centres they have learned to value and now appreciate highly steps taken to promote the welfare of the citizens and the masses of people generally. I allude especially to the creation of health departments, effective disposal of sewage, the installation of a good water supply, the establishment of hospitals, and measures of this character. The municipalities of this country are already heavily burdened in attempting to care for the aged, the infirm, the poor and the blind. The provinces receive large subsidies from the federal authorities, but often they are too prone to shift the burden they should carry on to the shoulders of the municipality.

Some effective means should be adopted through a system of old age pensions to provide for the aged poor. It should not be regarded at all in the light of a dole. In our large cities probably fifty or sixty per cent of the aged poor people are physically unfitted to work or to earn their own livelihood. The House of Providence, the House of Industry, and other charities are doing a splendid work. I want to pay a tribute to the House of Providence in Toronto, a Catholic institution. It is doing a fine work caring for all classes of people regardless of the denomination to which they belong. When I think of necessitous cases I have in mind the case of an old man named Michael Brophy, a Crimean veteran, who had served the empire for years. In spite of his long and faithful services he received no pension and, at the age of eighty-six, died in front of Eaton's store while engaged in selling bootlaces and lead pencils. It is lamentable that cases of this kind should occur. The officials of the health departments of our large cities know something of the struggles of our poor and aged people to maintain a precarious existence. The cost of food, the high rents, the lack of work, render it almost impossible for these people to live. Even if they were physically fit to work, the employers of labour demand younger people.

This is not a question in connection with which there should be any politics. You cannot keep the life in people on politics. With all the resources at its disposal it surely is not impossible for the federal government to obtain the necessary money to deal with this question adequately and efficiently. And when we are providing for the necessities of the poor we should not omit to care for the blind. They must be looked after especially in view of the danger which exists by reason of the congestion of traffic in our streets. Even a person in possession of all his faculties finds

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our streets dangerous at times, and the peril is even greater in the case of a blind person. Let the federal authority come to the aid of the provinces and the municipalities not only in the matter of old age pensions but in other humanitarian movements the expenditures upon which are in many cases a serious burden to municipalities. Conditions are changing and it is becoming harder all the time to make a living. The more this country grows, the more we shall find it necessary, whether under the British North America Act or not, to take this up as a question of federal legislation. The fathers of confederation when they drafted the British North America Act could not foresee these things. At the present time these poor people are being taken care of in provincial and municipal institutions to which public spirited people subscribe out of their own pockets, but this work should not have to be done by people with kind hearts putting their hands into their pockets. This is government work, government responsibility and some government should be saddled with the expense of it. It is a movement that should be three-sided. It should be taken up by the Dominion government, the provinces, and in my opinion the larger municipalities should also contribute something to it.

We have heard the same arguments used against this legislation as were used against workmen's compensation, good roads, technical education and mothers' pensions. Dear knows that the scheme of mothers' pensions in Ontario was a God-send to the poorer people of that province—for instance, a widow with five or six small children in a large centre of population struggling to make a living by doing scrubbing and that kind of thing. Apparently millions in cash and land subsidies by the Dominion and by the provinces can be given to railway corporations, and a country that can spend two billions of dollars on a national railway and other projects of that kind can surely do something to help these poor people in these dark days of civilization when it is hard to make a living. The government should come to the help of the larger municipalities especially which are saddled with this burden to the great cost of the municipal taxpayer. I do not care whether there is politics in this bill or not. Politics does not make any difference to me in a proposition like this because it is a question which should be above the realm of politics. I have seen over a period of seventeen years something of the work of a municipal health officer in a council which has been most generous in regard to this matter. Ninety per cent of these people are not fit to work; they have been driven to the wall, and if this parliament is not going to help them the public-spirited people of the country will have to continue helping them as they have been doing.

Mr. NEILL: I am glad to hear the remarks of the last speaker (Mr. Church) and I congratulate him on the attitude he has taken along with a few other hon. members on that side of the House. I wish to explain the statement made by the hon. member for Fort William and I think earlier in the evening stated by someone else, that the British old age pension system is contributory, and compulsory at that. That is a sort of play upon words; it is both true and false at the same time. The system is this: Britain has had an old age pension plan for some sixteen years. During all that time the age was seventy and the plan was entirely without contribution. Five or six years ago they also introduced a system of contributory insurance against unemployment, or at least against sickness and accident. This was entirely a contributory matter and very limited in its action. You got a pension for only a few weeks' illness and so on. That had nothing whatever to do with the old age pension which began and still begins at seventy and which is entirely free.

As an hon. member mentioned, last year they passed another act dealing with the period between sixty-five and seventy and they made that in some part contributory. It was also mixed up, I think, with some other phase of sickness insurance. But when the person who contributed between the years of sixty-five and seventy reaches seventy, he automatically passes under this free pension system beginning at seventy. Consequently, if we compare that system with the system proposed in this resolution, it is perfectly correct, logical, accurate and truthful to say that the British system is not contributory inasmuch as when they reach the age at which our scheme proposes to commence, there is no contribution.

I should like to dwell for a moment on the emphasis that was given to those questions that were sent out to the different provinces and to explain that those questions were sent out in the summer and fall of 1924, asking the opinion of the provinces, and the answers that have been read in the House were more or less not in favour of the bill. One or two were; some were doubtful and one or two were flatly against it. I think the reply from British Columbia was more decidedly against it than any of them. It said:

> This government does not concur in the suggestion made by the committee that a portion of the cost of such pensions be borne by the provincial crown.

Further on it says:

The consensus of opinion is that the matter of old age pensions is one entirely in the sphere of the federal parliament.

That was the decision of British Columbia in February, 1925, but since then something happened which changed the attitude of British Columbia and, I think, of the other provinces. The Department of Justice gave an authentic ruling, challenged by the leader of the opposition (Mr. Meighen) but supported by other members of his party, in which they stated definitely, at least to the layman, that this was a matter for the provinces, and although it did not forbid us to contribute, we could not handle it as a compulsory scheme. That ruling was not available when these more or less ambiguous replies were written. It is available now and this is the change of thought and mind of the British Columbia representatives. The hon. member for Fort William quoted the reply of British Columbia last year.

This is their attitude adopted in the session of November last when they passed this resolution unanimously. I will read only the last part, the effective part of it:

That the necessary steps be taken to formulate some plan, in conjunction with the Dominion government, to provide old age pensions; and that the other provinces of the Dominion be requested to take similar action.

That is an entire change of front due to changed conditions. Previously they thought: Here is the Dominion government asking us to pay 50 per cent of what is their business. Now they find the Dominion is offering the provinces to pay fifty per cent of provincial obligation and they hasten to take advantage of the offer. The resolution goes on:

And be it further resolved, that an humble address be presented to His Honour the Lieutenant Governor, praying that he will cause to be conveyed to the Secretary of State for Canada and the provincial secretaries of the various provinces this preamble and resolution.

Observe that. They are not only willing to lend their assistance and to co-operate with the Dominion, but they are anxious that the other provinces should take the same attitude as British Columbia, and I anticipate the other provinces will act as British Columbia has acted once the matter is brought home to them in that light.

It is somewhat remarkable, the attitude with which this bill has been received on the opposite side of the House, the entirely contradictory character of the criticism that has been offered. Some hon. members are entirely for it. Some admit, for reasons they have some difficulty in explaining, they are equally strong against it. Some say they are strongly in favour of it, but it goes too far. Others say they are strongly in favour of it, but it does not go far enough. One man says it is too expensive while another says that the age at which it should be given should be lower. Some say that it is only a gesture. If it is only a gesture, why combat it so seriously? If there is so much contradiction in the criticism, it suggests there is much good in the bill. I regard this legislation as a genuine attempt to deal with the situation. I hope the government will press this measure through the House at an early date so that when it goes to another body it cannot be met there with the excuse that it is too late in the session to consider it. Give them an opportunity to consider it, and if they throw it out, then I hope the time will have come when this government will take the proper action in the premises.

Mr. KAISER: I have taken a great interest in the question of old age pensions during the past few years, having advocated an allowance of this nature in the province of Ontario, and as my constituents expect me to say something on the present proposal I desire to discuss it briefly. Since coming to parliament I have submitted a personal referendum to my constituents, especially in the rural districts, in an effort to find out what their opinion is on the question. I requested an answer to the following memorandum:

The matter of establishing an old age pension in Canada is now before parliament. As your representative, I am anxious to secure the opinion of my electorate upon this important question. Will you kindly express your sentiments by marking the ballot, hereto attached, and return it to me signed by you, or otherwise as you may wish.

During my election I expressed myself on one or two occasions on this subject. I said that I hoped some time or other to have the privilege of sitting in a parliament which would be asked to discuss an old age pension scheme. To my surprise I found the sentiment of my constituency overwhelmingly in favour of the proposal. The replies were greater in number than I had anticipated and they were two to one in favour of doing something in the matter.

As regards the resolution before the House, while I am in accord with its general principle I must say that the provisions in detail are objectionable. I believe that the Dominion should have a universal and uniform old age pension law. I cannot possibly understand how the Department of Justice could give the opinion that while it would be permissible for the Dominion to pay fifty per

cent of the cost it would be illegal and in contravention of the British North America Act for this government to pay the whole amount. This is a legal point, but I must say that it is beyond my comprehension. I see practical objections to contributory legislation on the part of the provinces. If one or two provinces should refrain from participating we should then have this anomaly that such of the aged in those provinces who might still be earning would be taxed to pay their contribution to the allowance given to old age pensioners in other provinces that were under the scheme. That, of course, would be a manifest injustice and in time it would create such a situation as now exists in the Maritime provinces. Provinces would be contributing to a Dominion obligation in respect of which they were enjoying no benefits and the result would be that compensation would be demanded. This feature of the bill is therefore open to objection.

I rise, however, not to enter into a discussion of the details of the legislation so much as to indicate something of what is being done elsewhere in the matter of old age pensions. In November I wrote a letter to Dr. Riddell, the Canadian representative at Geneva, asking whether he would be good enough to give me such information as had been obtained in that quarter on the subject of old age pensions. The following is his reply:

I beg to acknowledge your letter of the twelfth ult., asking for information regarding old age pensions. I enclose a brief memorandum on invalidity and old age pensions, prepared by the International Labour Office at my request. I am also sending you, under separate cover, a number of texts from the Legislative Series published by the International Labour Office. I trust that this material will be of use to you, and that you will let me know if I can be of further help.

Yours truly,

W. A. RIDDELL,
Canadian Advisory Officer.

I would ask that the memorandum to which reference is made in that letter be placed on Hansard so that it may convey to others the information which it has supplied me, giving as it does a synopsis of what is being done throughout the world. The memorandum is rather lengthy but the information it contains is valuable. It shows us the sort of pension scheme that appeals to any particular country, together with information in regard to the percentages of those receiving pensions as well as the varieties of pensions paid, and so forth. There is one sentence with reference to Great Britain which I should like to read. In the Old Country pension legislation was first introduced in 1908 when there were 829,000 people in receipt of pensions, this number being seven per cent of the population. The following is the note which I want to emphasize:

So far as the great majority of the septuagenarian population are concerned the non-contributory pensions provided under the Old Age Pensions Acts 1908-1924 (L.S. 1924, Great Britain 4) will in the course of the next thirty years be replaced by pensions for which the beneficiary has contributed.

Mr. MACKENZIE KING: I thought I heard my hon. friend say that he would like to place a certain memorandum on Hansard.

Mr. KAISER: This is the memorandum.

Mr. MACKENZIE KING: I do not wish to deprive my hon. friend of any privilege, but I ought to point out to him that the permission to place memoranda on the record is one which is granted occasionally by the unanimous consent of the House usually to members of the government to enable them to have certain official statements incorporated in the report. The privilege is one which, however, should not be taken advantage of generally, and certainly not in committee on a resolution. If the House were once to adopt the practice of placing documents and memoranda on Hansard, Hansard would soon become over-encumbered, as indeed it is already. There is this further consideration: the purpose of discussions in committee is to enable hon. members to follow the proceedings and to weigh the pros and cons of the different points submitted for consideration and discussion. I would suggest to my hon. friend that he send his memorandum to the Department of Labour and if it contains valuable data it will be of service to the department. I trust my hon. friend will not press his request.

Mr. KAISER: I am not acquainted with the rules but I thought that, as the memorandum is undoubtedly of value, there would be no objection to its being embodied in the report. I am willing, however, to hand it to the Prime Minister to use it as he may see fit.

Mr. STEVENS: The right hon. Prime Minister has raised a point in which, I may say, I concur, but I should like to draw your attention, Sir, and also his to the fact that the practice of handing in memoranda to Hansard has grown in recent years, and many hon. members have erred or violated the rules. So I should not like my hon. friend (Mr. Kaiser) to be singled out as a sort of victim in this case. Let us stop the practice.

Mr. MACKENZIE KING: I appreciate very much the spirit in which my hon. friend has met my request. I think he understood my purpose in raising the point. I do so because Mr. Speaker himself has recently been discussing with me the practice which unconsciously perhaps has been growing up of hon. members reading their speeches, which is something contrary to the rules of parliament itself.

Mr. STEVENS: There was a very good one read a few minutes ago right behind the Prime Minister.

Mr. MACKENZIE KING: There have been very many good ones read; at the same time, to read speeches is not according to the rules of the House.

Mr. STEVENS: Certainly not.

Mr. MACKENZIE KING: Unless we follow as nearly as we can, with a reasonable degree of latitude, what has seemed in the wisdom of previous parliaments to be the right course, we will soon get our Hansard out of all proportions. Again I wish to thank my hon. friend for the way in which he has kindly acceded to the request.

Mr. KAISER: The document is so concise that I do not wish to take up the time of the House reading it. As I said before, I am quite willing that the Prime Minister should look over it, and, if he thinks its insertion in Hansard will be of service to the House, that it should be inserted. I do think that if we have old age pensions they should be Dominion wide in their application, and I hope we shall make some progress in that direction.

Mr. MACDOUGALL: Mr. Chairman, I realize that we already had a very extended debate on the question of old age pensions. I do not rise to protract unnecessarily that discussion, but were I to remain silent while such an important measure is under discussion I would be remiss in my duty to my constituents, and especially to the industrial population of eastern Nova Scotia, with whom for a number of years I have maintained the most friendly and sympathetic relations.

Let me say, Sir, that I heartily approve and will ever cheerfully support the principle of old age pensions. Nor do I consider this measure in the light of a charitable contribution by the state towards its aged citizens. Justification for such a measure rests not upon grounds of charity, but rather upon the broader and firmer basis of distributive justice.

There exist between every state and its citizens certain mutual obligations, certain grave responsibilities, which neither party to the social contract may wantonly ignore. It is admitted that the state has the right to demand from its citizens allegiance and service; it also has the right to force them to contribute to the upkeep and maintenance of the body politic in the form of taxation, and when some great national peril threatens its very existence the state has the right to conscript its citizens for national defence.

Now, Mr. Chairman, it is a well established maxim of Christian ethics, recognized in every Christian country, that there can be no rights enjoyed either by a state or individual which do not carry with them corresponding responsibilities; and when you admit that the state has the right to exact allegiance and service from its citizens, to tax them and to conscript them in time of war, you must ipso facto admit that the state has a duty to provide for its citizens if the evening of life finds them helpless and in need. I consider therefore that the state is merely discharging an ethical obligation which it owes to its citizens in providing a measure of old age pensions, and I heartily support that measure.

In regard to the constitutional difficulties in the way, there seems to be an idea that this measure should be taken up and passed by the different provinces. It may be presumptuous for me to disagree with the right hon. leader of the government in his views, but I think a conference with the premiers of the provinces should be held first before you enact any specific form of old age pension legislation, we owe it to the provinces as a matter of courtesy, if not on grounds of justice, since they are paying a part of the cost, to consult them as to what specific measure this government is going to enact. However, I do not argue that point, because I am glad to see the principle enacted in some form or other.

But, Mr. Chairman, I wish to suggest in all candour to the government—and this probably is my principal reason for rising—that in regard to certain classes of labour the age limit of seventy years should be reduced. We must realize that some people who are engaged in the lighter occupations are still sprightly young blades at seventy; but those engaged in certain other industries—I had in mind men working in steel plants and collieries, and women engaged in the garment making industry—find their physical vigour is greatly impaired when they reach the age of sixty. Therefore I would ask the government to take under

serious consideration the advisability of lowering the age limit from seventy to sixty years with respect to those engaged in coal mining and certain other industries.

However, whether the government does or does not act upon my suggestion in that regard, I shall certainly support this measure, because I realize that it is by such measures we will succeed in lifting up the manhood of the poor in this land. Let me say in conclusion that whenever a measure is introduced calculated to do that, I will cheerfully give it my support, no matter by whom it is introduced or by whom it is opposed.

Mr. GEARY: Mr. Chairman, the reading of an opinion by the Minister of Justice would lead one to suppose that the Dominion parliament has no place in providing in its entirety for a plan of old age pensions. I do not think that that can be the correct interpretation of the minister's opinion, because I suppose what he would say is that the Dominion parliament has no right to impose any obligation on the provincial authorities. Perhaps he would be good enough to say if I am correct in my view.

Mr. LAPOINTE: That is it exactly.

Mr. GEARY: I would have thought that would be the result of his consideration of the question. Now, Mr. Chairman, it does occur to me that there is a good deal to be said in favour of the view taken by some members who have already taken part in this debate that you are only going, if not to defeat, at least to disappoint the expectations of prospective pensioners in trying to carry out a pension scheme under such a bill as this. The reading of the communications from the various provincial governments carries to my mind no hope that we will be able to establish a relationship between the Dominion and each of the nine provinces with respect to this measure.

If there is nothing to prohibit this parliament from supplying all the funds necessary to a proper old age scheme, then I think we should take up the matter in that way. Those who are in favour of old age pensions should meet the issue fairly and squarely and say that this parliament shall provide all the funds; then, I think we would be on our way to having something done, and done soon. But if we are, as the Prime Minister suggests, merely to pass the bill with the idea of sending it on to each legislature in the hope that by conference and discussion with each legislature we will be able to have it put into effect in each province represented, we are embarking on a path that leads a long way into the future. To me this sort of legislation has a very strong appeal. It has a personal appeal that, in spite of the economic situation, one cannot resist. One has only to see some aged and destitute person, to carry his mind to his own people and consider, what would I think if that person were one of my own family? Personally I cannot face a position like that. If the government thinks this is all it can do at the moment, I cannot oppose the legislation, but I do think very sincerely that if our minds are set upon a proper system of old age pensions we should not stop with this bill, which promises difficulty and discrimination between provinces; we should rather, as I repeat, take hold of the whole thing ourselves, and see that this House inaugurates a scheme that cannot fail. It follows the trend of modern legislation. It is a departure from the old state where security had little place in life; it removes too the dread of the future which must always overhang those who are without certainty as to what will be their fate when strength fails and their working time is past. It is unfortunate but true that only too often people who have suffered and sacrificed themselves in the upbringing of families find, when their turn comes to be taken care of, that they are not getting the comforts they hoped for or the reward they should have from those for whom they struggled and sacrificed so much. There is no legal objection to it. If the government feels it can go the whole way and provide the money for the scheme throughout the Dominion of Canada I shall be very glad Failing that, and in the hope of getting something, in the hope that the Prime Minister may prove to be right when he says that he is sanguine that it may lead to results, I shall support the measure.

Mr. ROGERS: It is quite evident that hon. members on both sides of the House are desirous of doing everything they reasonably can to promote and carry into effect a measure which will be of assistance to the aged as provided in this bill. What I want to say to the minister in charge and to the Prime Minister is that in view of the good feeling on both sides in respect of this measure, and in view of the fact that nothing can be accomplished and brought to a definite conclusion save and except when a certain consideration has been given to the views of the various provinces, some conference should be held. I would suggest to the Prime Minister that we pass the resolution as it is, and that the Prime Minister endeavour to gather together at least a few of the premiers of the provinces. The Pre-

miers of British Columbia and Alberta are on their way to Ottawa, I believe. It would be an easy matter for the Prime Minister to get a representative from Quebec and one from Ontario, and possibly he could get representatives from Manitoba, Saskatchewan and the lower provinces, if they are prepared to come. At all events if he had four or five premiers here and they would care to join in the proposal, I am sure there would be no difficulty in having the bill pass this House unanimously, and no doubt a bill could be framed by arrangement between the provinces and the Dominion, that would be workable. The representatives could be called together; there is no hurry to put the bill through for a couple of weeks. The Prime Minister would be well advised to consider that suggestion in order that a definite measure, having some force and effect, might be considered and carried through this House.

Mr. MACKENZIE KING: The members of the government would be only too pleased to confer with any members of the provincial governments interested in this legislation when they are visiting the city, but I would not like my hon. friend to feel that the government would pledge itself to call this conference, or what would be equivalent to a conference of premiers, between now and the time this measure will come up for further consideration. I do not think it could be done. You would have some provinces not represented who might feel that they should have been present at the gathering. Further, I imagine that the premiers of the provinces would wish to confer with their colleagues, and certainly their colleagues in the various governments who have to do with labour legislation would have the right to be consulted. I am a little afraid that if a commitment were made on the part of the government to delay the measure, as my hon. friend has suggested, we might be postponing it beyond the period when I hope this session will close. But I do say to my hon. friend that if the premiers from the various provinces come along it will be a pleasure to discuss the measure with them.

Mr. ROGERS: I do not see the difficulty my right hon. friend suggests. It is not a matter of great concern whether the bill goes through to-night or in a month or six weeks hence. We are going to be here for some time, and we would have every opportunity for the calling of a conference of representatives of the various provinces to deal with the matter in such a way that there would be some finality. If he presses the suggestion he has just made of merely discussing the matter with individuals as they come here, he will reach no conclusion. It will leave the idea, at all events, that there is bad faith somewhere. Nearly all the provinces have closed the sessions of their legislatures and their representatives will practically all be coming to Ottawa within the next thirty days. It would be easy to have a day fixed when they could all be here at the same time, and the matter could be settled in a short afternoon. I hope as I trust and as I believe that the provinces would be favourable to the scheme, and if they are we can dispose of the matter in a way that will be satisfactory to those who are promoting the bill as well as to the aged people themselves. I hope my right hon. friend will give serious consideration to the suggestion.

Mr. McGIBBON: In view of the answers that have been read from the different provinces practically refusing this scheme, would the government be good enough to assure the House that they will take the full responsibility themselves?

Mr. MACKENZIE KING: Of what?

Mr. McGIBBON: The responsibility of this legislation.

Mr. MACKENZIE KING: Yes, that is the purpose of introducing the legislation. The government in this measure is taking money out of the federal treasury to contribute to the provinces. We do not intend to give money from the federal treasury to any province without having some say as to the satisfactoriness of the measures under which they purpose to use that money. My hon. friend knows that usually certain conditions have to be complied with before aid of this character is given, and we are in that position here with respect to money from the federal treasury. We do not propose to give aid for old age pensions or any other purpose unless we can have some agreement as to certain requirements being fulfilled.

Mr. McGIBBON: The Prime Minister is confusing the question. What I asked him was this: Would his government take the responsibility of putting through a federal pension scheme wholly independent of the provinces?

Mr. MACKENZIE KING: If what the hon. member for West Calgary, a colleague of my hon. friend, said the other evening is correct, that he was inclined to think the federal government had not the right to do that, I would say to my hon. friend that we will not take the responsibility of putting through a federal scheme that may be open to ques-

tion whether or not we have the federal authority to do it. We know that we have authority to contribute towards a pension scheme in co-operation with the provinces. We are not sure that we have the authority to put through a federal scheme apart from the consent and co-operation of the provinces.

Mr. McGIBBON: But provided you have the authority?

Mr. MACKENZIE KING: That we will consider at the right time.

Mr. BURY: In my view the resolution and the scheme of an old age pension implies that there is something wrong in the wage-earning conditions of this young country.

Mr. KING (Kootenay): The world over.

Mr. BURY: The very fact that a country like Canada, supposed to be a country of opportunity, supposed to be a country calling to the effete lands of the east to come over and find their chance in the land of opportunity of the west, has to establish an old age pension scheme shows that there is something radically wrong with our system. But apart altogether from that, I wish to say that I am in absolute sympathy with the principle of the scheme, because we have to face facts as they are.

On the general question I would like to add this for the consideration of the committee. The question has been debated as to whether this is a matter of provincial or federal responsibility. In my view it is a matter of federal responsibility, and I will tell you why. The federal government has complete control over the question who is to come into the provinces; the provinces have no control. The provinces are not able to say who shall and who shall not come within their borders, who shall or who shall not settle within their territory. Inasmuch as the federal government has the absolute and sole control of saying who is to come into the province, then it rests upon the federal government, which alone has the power of keeping out undesirable citizens or citizens who are not able to support themselves to provide, as a kind of correlative obligation to this power which they alone have, an old age pension scheme to meet the necessities of the population, the nature of which lies entirely in the hands of the federal government. We in the province of Alberta and we in the city of Edmonton, on the council of which I sat for four years, had year after year to face this question of the relief of those who were not able to work or were not able to get work, and we came to the conclusion which I have just expressed here a minute ago, that inasmuch as we could not put up barriers around the city of Edmonton to say who was to come in or who was not to come in; inasmuch as the provincial government could not put barriers around the boundaries of the province to say who was to come in and who was not to come in, we were not to be held responsible for supporting the people who did come in.

In other words, the authority that has complete control over immigration into this country and the settlement of our provinces and our cities is the authority that ought to deal with this old age problem. That seems to me to be perfectly clear.

On the other matters that have been debated in the course of this discussion, it seems to me that the proper course to be followed should be, as already suggested, to postpone any drafting of a bill until there had been a prior conference with the provinces, and for these reasons: First, because it seems to stand to reason that if we are going to establish a conjoint scheme in which the provinces and the federal government are to unite, we should consider and consult the wishes of the partners in the scheme. What is suggested here is that we in this House should settle our scheme and then go to the partners and ask them whether they are willing to come in, and if they are not willing, we should then come back and tinker with the act we have already solemnly passed. Would it not be infinitely better to consult your partners first, to ascertain how far the provinces were prepared to go, and then draft your bill and pass it through this House based on the results of that conference?

There are other grounds that suggest themselves. The provinces have themselves asked that this course be taken. In the replies which were read to the House, and which I am not going to read again, you will find in some of them, in the reply from the province of Nova Scotia, for instance, this:

> In view of the importance of the subject matter and the lack of an opportunity fully to consider the same—

That is tantamount to a request by the province of Nova Scotia for time to consider the scheme. Again:

> I was instructed to advise you that without a further and better understanding of the subject matter, and without an opportunity to fully discuss it with your committee, no action would be taken on the matter at present.

If that is a sample of the attitude of the provinces, what it amounts to is this: "We do not say that we are opposed to any scheme of old age pensions, but we do say that we want an opportunity of considering the question and of consulting with some representative of the federal government so

that we may try to work out a common scheme which will satisfy our province and the other provinces in this Dominion." Is not that reasonable? That is what the provinces ask. But instead of doing what the provinces ask, this parliament is requested by the government to go absolutely in the teeth of the request of the provinces and do something that the provinces never asked us to do. The provinces asked that the matter might be taken up at a conference between the federal government and themselves. The provinces, some of them at least, professed themselves willing to discuss the matter, and the federal government makes answer to that request: We will not discuss it with you; we will draft and pass our act and submit it to you, and if you do not like it, we will alter it to suit the convenience of one or another or of all of you. Now is that reasonable?

I pass to the suggestions and recommendations of the committee. It was recommended:

> That the federal government arrange with the premiers of the different provinces for a conference to held during the coming recess of parliament—

That was in 1925.

> —at which an old age pension system shall be given the fullest consideration with a view to securing co-operative action, and that the report of the said conference be laid on the table at the next session of parliament for future consideration and action,
>
> That a copy of this report be forwarded to each premier of the several provinces.

The provinces asked for a conference, your own committee advised a conference; and in the teeth of the request of the provinces, in the teeth of the request of your own committee solemnly passed, and in the teeth of your own promise of a conference, you ask the House to pass a bill without a conference—in direct opposition to your own resolution, to the request of the provinces, and your own promise to pass a bill settling what the terms of this old age pension relief shall be. Now the only answer the Prime Minister makes to that is this: 'Oh, we are in a hurry. We do not want to waste any more time." Why was the time wasted in 1924? Why was the time wasted in 1925? It seems to be rather another illustration of the old adage:

> The devil was sick, the devil a monk would be;
> The devil was well, the devil a monk was he.

You had two years in which to act upon the reports of your own committee, and you do nothing till a quarter way through 1926.

Now, let me address myself to the main question. The only justification alleged by the government for the present course, the only justification suggested for going in the teeth of the request of the provinces, in the teeth of the government's own promise, in the teeth of the recommendation of their own special committee unanimously passed and adopted by the House, is this: "We are in a hurry, we want this legislation passed quickly." How much force is there in that argument? Absolutely none, because the provincial legislatures are all either up or getting up, and you cannot do anything under this legislation before the end of 1927 or the beginning of 1928. Anyway, you cannot do anything this year. You cannot do anything until the provincial legislatures meet in 1927. The matter will be considered by the provincial legislatures in 1927, and even if you pass this legislation to-day you cannot do a single thing until the end of next year or the beginning of 1928. The whole argument, therefore, that the government is in a hurry, that we should not postpone action until the government has had a chance to consult with the premiers of the different provinces and find out how far the provinces are prepared to go—that argument, that pretext, that excuse, is hardly worth the breath it has taken to voice it.

Mr. POULIOT: I understand from what the hon. gentleman says that he is speaking on behalf of his province of Alberta. Would he be good enough to tell the committee what that province is thinking about the matter?

Mr. BURY: Yes, I will tell my hon. friend. I will quote to the hon. member the answer of the province of Alberta. It is to be found in the report of the special committee of this House in 1925. Under the date of June 2, 1925, the acting premier, Hon. Geo. Hoadley wrote:

> This government has reviewed the recommendations of the committee and approve of the general principle of old age pensions.

That is going a certain distance; that is a pledge by Alberta that it approves of the principle. All right. I quote further:

> We are not prepared, however, to accept the recommendations of the committee. The three main objections are: (1) We believe that the federal government should assume a larger share in the financing of an old age pension scheme as it is more a federal obligation than a provincial one.

There is one objection which might be cleared up at a round table conference between this government and the premiers of the different provinces.

Mr. HEAPS: Is the hon. gentleman in favour of the recommendations as outlined in the report of the committee of this House?

Mr. BURY: What report does my hon. friend mean?

Mr. HEAPS: Either the report of 1924 or that of 1925.

Mr. BURY: I cannot see any recommendation in the report of 1925 except one, that the federal government arrange with the premiers of the different provinces for a conference.

Mr. HEAPS: Take the 1924 report of the same committee.

Mr. BURY: The 1924 report was brought before this House and was solemnly buried by it in the sessional papers. I understand, however, that the 1924 report also recommends a conference with the provinces.

Mr. HEAPS: Yes; but did not that report contain other recommendations?

Mr. BURY: I am not familiar with the 1924 report.

Mr. HEAPS: The 1924 report recommends that the cost of the scheme be borne on a fifty-fifty basis by the provinces and the Dominion.

Mr. BURY: That is all based on a conference. The question of who is to pay the money required in connection with the scheme is one of adjustment between the provinces and the federal government. I will come to that question in a few minutes.

Mr. TOBIN: Do you believe Alberta is in favour of or is opposed to old age pensions?

Mr. BURY: I am reading now, if the hon. member will listen, the reply of the Hon. Geo. Hoadley, acting premier of the province, in which he says:

> The government has reviewed the recommendations of the committee and approve of the general principle of old age pensions.

That must refer to the recommendations of the committee of 1924. Then Mr. Hoadley raises three objections. He says:

> We believe that the federal government should assume a larger share in the financing of an old age pension scheme, as it is more a federal obligation than a provincial one.

I have pointed out that the question as to the proportion in which the cost shall be borne as between the federal and the provincial government is a matter of discussion and conference, and of adjustment between the provinces and the federal government when the provinces understand the nature and extent of their obligation. Someone suggested here that the provinces did not understand at the time that the obligation to support the aged was a provincial and not a federal one, and that when the provinces understood the matter they would be the more willing to fall in line with the federal scheme. Now if that be true, or whether it be true or not, it surely stands to reason, taking the Alberta answer as an example—

Mr. TOBIN (Wetaskiwin): Was the matter debated in the legislature of Alberta?

Mr. BURY: The hon. gentleman ought to know that better than I, because he was a member of that legislature.

Mr. TOBIN (Wetaskiwin): I want to see how much you know about it.

Mr. BURY: If the hon. member will concern himself with what he knows about it, I will concern myself with what I know about it.

Mr. TOBIN (Wetaskiwin): The hon. member has just been quoting from a letter of Mr. Hoadley, and I want to know if the legislature debated the question.

Mr. BURY: I would suggest that if a matter lies within the knowledge of an hon. member he ought not to ask such a question. The hon. member for Wetaskiwin was a member of the Alberta legislature and whether the matter was discussed there or not he ought to know, unless he was not doing his duty and was out of his place in the house.

11 p.m.

Take the other objection:

> We are not satisfied that a non-contributory system is the best one.

Surely that is also a matter to be debated around a table in conference. That is one of the fundamental questions of any old age pension scheme. Are you going to make it a contributory system or are you not? If you are going to make it a contributory system, may I say in answer to the hon. member for South Toronto (Mr. Geary), then the federal government cannot frame the scheme because the federal government cannot enforce contributions from the people of Alberta? They have no power or authority over provincial rights in that province. If it is going to be a contributory scheme it will have to be a contributory scheme enforced by the province of Alberta. One of the provinces asks: "Is your scheme to be contributory or not contributory? We are satisfied that the contributory system is the better scheme." Then get together in a conference with representatives of the provincial governments, discuss the question and settle it. Until you have that question settled you do not know whether it should be a federal or a provincial scheme. If you are going to have it as a non-contributory scheme, then it can lie absolutely

within the purview of the authority of the federal parliament. It is only in the event of its being a contributory scheme that it is obligatory to bring in the provinces.

Mr. HEAPS: Could the Dominion government force legislation on any province in the Dominion?

Mr. BURY: Surely it stands to reason that the Dominion government cannot force legislation on the provinces. I am not talking of forcing legislation on a province. It is impossible for the Dominion government to enforce a contributory scheme of old age pensions because it has no authority over property rights of individuals in Alberta. You must bring in as supplementary to your scheme some agreement with the province that the province will put the machinery at work for the purpose of carrying out the scheme within its domain.

Mr. McLEAN (Melfort): Could the hon. member tell us how people of seventy years of age who are indigent could contribute to a pension fund at the present time?

Mr. BURY: The hon. member has utterly mistaken my position. One of the questions at issue raised by Alberta is whether this is or is not to be a contributory scheme. That is a vital question as between the federal government and the provinces. I am not saying which is the better scheme; I am merely pointing out that one province out of nine has an idea that a contributory scheme is better than a non-contributory scheme. So long as that is a moot question, not agreed upon as between any province and the federal government, you cannot settle your legislation. You have, therefore, to have a discussion between the different provinces and the federal government and first of all to settle the question whether this is or is not to be a contributory scheme. Then the question will come up that my hon. friend has raised, and the arguments in favour of a non-contributory scheme. But my hon. friend is premature in arguing it now. I am merely pointing out the fact that the provinces have not themselves decided which of the two kinds of schemes they want, and until they do, this act is impossible. You must have your conference first and settle that question.

Mr. McLEAN (Melfort): How could indigent people of the age of seventy now contribute to an old age pension fund?

Mr. BURY: I am sorry the hon. member has still not got the point. I am not arguing in favour of a contributory scheme. I have not said a word in favour of it.

[Mr. Bury.]

Mr. BROWN: Does my hon. friend think it would be possible to establish a contributory scheme to meet present needs.

Mr. BURY: It seems impossible to get it into the heads of hon. members opposite that I am not debating the wisdom or folly of a contributory scheme. I am only saying that some of the provinces have not yet made up their minds which is the proper scheme to adopt and until they have done so you cannot force an act on them; you cannot submit an act which you are sure they will accept. The better way will be to have a conference and thresh out this very question. I have no doubt that if my hon. friends at that conference give their reasons why a contributory scheme is absolutely absurd, their opinions would be welcomed. I am assuming that by "contributions" they mean contributions by the beneficiaries of the scheme and not contributions by the provinces. I am not debating that at all.

The third objection is this:

> There is no guarantee that the federal government will carry out the mutual arrangements respecting the financing.

That is already provided for in the resolution. In support of the position which I submitted to the House that the provinces had asked for a conference, may I quote one of the last statements made by the hon. member for Comox-Alberni (Mr. Neill)? I have not his exact words, but this is the substance of the resolution he cited: He said that in November of last year British Columbia had passed a resolution asking for a conference. In the teeth of that request the House is asked to pass this legislation on the chance that the different provinces will accept it, and if they do not accept it we shall come back here to thresh the whole thing out again and recast the bill. Is the government going to save time in that way? Is it not more likely to get the adhesion of the different portions of this Dominion by consulting them in the first instance before it sets up to them a hard and fast, cast-iron act and asks them to come into it? I know what the attitude of one of the provinces is. They would rather be consulted before the act is drafted than have it put to them after it has been passed by this parliament with the declaration that if it is not suitable it will be recast. The answer would be given at once: Why did you not consult us before you drafted and passed it? It may be said that there was no time to consult them, but the argument of time is gone, because they will say: You have now to go back and amend the act you have put up to us, and you are no further ahead than if you

had come to us in the first instance. They would have to put through acts themselves, and even if we pass this resolution and the bill that is to be founded on it to-night, we would not get a single result or any action from it until 1928. There is ample time, therefore, in the summer of 1926 to have a conference in order to settle the terms of this bill, and there will be ample time afterwards to pass it.

As I said at the beginning, I am in hearty sympathy with the principle of old age pensions, and like those who have spoken before me, if there is only the one way to get it, namely, by passing the resolution and the bill which the government propose to found on it, I am quite sure the government will have no fault to find with and no criticism to level at the spirit in which members of the party on this side of the House meet their suggestions.

Mr. MACLEAN (York): I thoroughly agree with what the hon. member for South Toronto (Mr. Geary) has said in favour of old age pensions, but I am surprised that we should be discussing the inability of this parliament to amend its own constitution. The time has come when we should act rather than talk in this respect. Canada will next year be celebrating the sixtieth anniversary of confederation, and if we do not do something to remedy the present situation we shall continue to suffer under the disability which at present hampers us. The government declares that it is in favour of a revision of our constitution, but so far it has been dilinquent in the matter. Within the last two or three days I have heard the suggestion made in a club in this city that what Canada needs is a Mussolini to take charge of her affairs. Well, if our Mussolini does not come from British Columbia he will come from the province of Quebec.

It has been said that Quebec does not want any change in the constitution, but I do not believe that. In my opinion that province is in favour of such a change, just as the Dominion as a whole is anxious to have it. Session after session this House is held up on various legislative measures because of this very inability of the parliament of Canada to amend its own constitution. I do not want to abolish any rights or privileges that exist under the terms of confederation, but it certainly is anomalous that after sixty years of confederation we are utterly unable to change our own constitution. The United States, the Mother Country, the Dominion of South Africa, Australia, the Irish Free State—all these countries have the power inherent in themselves to change their own laws at will, but Canada does not enjoy the same right. I have been in this House thirty years now; I have heard this constitutional question discussed time and time again, and it seems to me that the time is ripe for definite action. There is one man in England who is qualifying for the role of Mussolini: I refer to Lloyd George, who some day in the British parliament will do on our behalf what we have not the courage to do for ourselves. If we continue in this state of national impotence this country will fall into disrepute. We profess to be a nation equal with other states, and although other countries and even our sister dominions can amend their own constitutions, Canada remains helpless in this regard. Let us quit talking and get down to action. Let us settle the matter properly once for all. When we do so we shall have taken one long step forward in the interests of the nation.

The CHAIRMAN: Shall the resolution carry?

Mr. ROGERS: I want an answer from the Prime Minister. This is a serious matter, and I am sure, if we are to judge by the tenor of the speeches that have been delivered on both sides of the House to-night, there is a general wish to promote the legislation as rapidly as possible. Nothing can be done, however, under present conditions until there is a conference of the various provinces, and never was there a better opportunity than now offers to hold such a conference. Some of the premiers are on their way now and others could be summoned to consider this matter, which is of such great importance. If my right hon. friend has presented this legislation in good faith, and if the government is behind it, he cannot refuse to meet the request we have made in order that the legislation may be brought to a successful result.

Mr. MACKENZIE KING: If my hon. friend will recall his experience in the ministry he will realize, I am sure, that the government has quite enough to do while the session is in progress without attempting to hold a conference with the premiers of the provinces. If we had such a conference it would be our wish to show to the premiers or to the provincial ministers such attention and courtesy as the occasion would demand, and it is impossible for the government to think of such an undertaking in view of the matters that must be attended to during the session. The bill has been prepared with a view to avoiding delays and in order to enable any

provincial government that may care to enact at once, with respect to old age pensions, legislation in conformity with the requirements of this measure to take advantage of the proposed scheme. If some provinces do not desire to pass such legislation, that determination will in no way affect the situation except in so far as they are concerned. But as a federal government we want to show our readiness at the earliest moment to assist any province as soon as it is prepared to enact legislation along the lines here laid down. The government has carefully considered the question and feels that it should not run the risk of further delays by waiting for additional communications with the provinces. The desire is to carry this legislation through at this session and I am afraid I shall have to tell my hon. friend that that is our intention.

Mr. ROGERS: I am sorry, because I feel that my right hon. friend is adopting the only course that will possibly kill the measure.

Mr. NICHOLSON: Is it the intention of the government to proceed with this matter to-night?

Mr. KING (Kootenay): Yes, if possible.

Mr. NICHOLSON: There is not a man in the House who will not say at once that he is prepared to do anything that can possibly be done to improve the condition of all classes of Canadians, and if I for one thought there was anything in the resolution that suggested the slightest likelihood of achieving the results which it professes to have in view, I should be prepared to support it. But because everything surrounding the preparation and presentation of this resolution indicates clearly that there is no desire on the part of the government to bring in an old age pension scheme that will be effective, I urge that we should not pass this resolution. My hon. friend from South Winnipeg (Mr. Rogers) has suggested to the Prime Minister a means by which he might possibly get to the point where he could introduce effective legislation of this character. The Prime Minister says he is not prepared to accept the suggestion that during the session he should enter into a discussion with the premiers of the several provinces with regard to the plan outlined in this resolution. This government and this parliament, he asserts, is going to enact the proposed legislation as it now stands, and say to the provinces, "If you accept this we will assist you; if you do not, you will not get anything."

Now, Mr. Chairman, as a layman I should like the Prime Minister or the Minister of Justice—if in his seat—to state whether he feels that the federal parliament can pass a bill founded on this resolution and then if one or two of the provinces, say Prince Edward Island and British Columbia, accept its provisions, and the remaining seven provinces refuse, the federal parliament can tax those seven provinces. Perhaps we have that power. But while the constitutional question is being discussed, as one who is anxious to see a genuine measure of old age pensions made effective in all parts of Canada, I have very grave doubts whether we have any such power.

Everything associated with this resolution and the attitude of the government in regard to it indicates one thing, and one thing only—that this resolution has been adopted merely as a feint to make the two hon. members who presented their claim to the Prime Minister, and who secured from him a pledge that he would introduce this measure, believe, and to make the country believe, that the government is endeavouring to do something which it knows perfectly well is doomed to utter and complete failure because of the unsound basis on which it was founded.

An hon. MEMBER: Order.

Mr. NICHOLSON: Some hon. member says "Order." I have not had very much to say in regard to this, but I purpose to express my views notwithstanding any interruptions of that character. Coming to the resolution itself and what it is presumed to provide, let me say that while I am in favour of a plan whereby every aged person in this country who is not able to take care of himself will be provided for, I am not in favour of any scheme that in principle intends to pauperize any section of the people. As this resolution is framed, the measure to be introduced in pursuance of it involves the pauperization of all our people who will come under its terms. Of all the countries that have tried out old age pension schemes of one character and another, we find that sooner or later fifteen of them have reached the point where they have adopted contributory systems, six have so far gone forward with non-contributory schemes, and one is carrying out a system of forced insurance. Of the six that have non-contributory schemes, two are now considering amendments to their pension law under which they propose the contributory feature, solely because of the well recognized fact that anything which takes away from people the incentive to thrift destroys their manhood and womanhood.

If the government had given the mature consideration to a measure of this character that its importance demands, they would have

found that we already have in our annuity scheme, properly applied, a genuine form of old age pensions under which by the contribution of twenty-five cents per week between the ages of twenty-five and sixty-five any citizen can ensure to himself after seventy years of age an income equal to the pension which is now proposed. What does the government intend to do with this annuity plan? Is it to be scrapped entirely?

Mr. STEWART (Edmonton): No.

Mr. NICHOLSON: Then what are you going to do with the thousands of people who have purchased annuities?

Mr. KING (Kootenay): They will have their annuities.

Mr. NICHOLSON: Then you are going to tax those people to pay old age pensions to others who had an equal opportunity to provide for their old age.

Mr. STEWART (Edmonton): Are they not taxed at present for the very same purpose?

Mr. NICHOLSON: Under what provisions?

Mr. STEWART (Edmonton): Under the provisions of every province and every municipality for the care of old people.

Mr. NICHOLSON: There is another evidence of the absolute lack of consideration which has been given to this resolution.

Mr. STEWART (Edmonton): Not at all.

Mr. NICHOLSON: I think it was stated this afternoon that the province of Quebec already takes care of its aged people.

Mr. NEILL: At no cost?

Mr. NICHOLSON: I am not going to say that the social legislation of that province is not what it should be; it is for them to determine. What are you going to do with their system? In Ontario some of the very class of people contemplated in this bill are already provided for—in fact they are all provided for in provincial and municipal plans. What are you going to do with those schemes? Are you going to throw them on the scrap heap?

According to information which I very hurriedly secured from the Department of Labour, there are in Canada 220 industrial firms, exclusive of the transportation companies, now providing pension schemes for their employees. Are you going to say to those concerns, "You must scrap your insurance schemes"? No? Then under the provisions of this bill you say to those people, "You continue to provide pensions for all your employees—including the 150,000 railway employees—and notwithstanding that you are already making that provision, we are going to tax you to provide old age pensions for a similar class of people without requiring them to make any contribution at all."

Mr. HEAPS: May I interject that the employees of the railroads, particularly the brotherhoods that have old age pension schemes of their own and will not be entitled to any benefit under this measure, have gone on record approving of this scheme?

Mr. NICHOLSON: Mr. Chairman, my hon. friend perhaps speaks for the brotherhoods a little out of his turn. The brotherhoods have considered the question of old age pensions, and they have endorsed the general principle of means being found by which old age pensions will be provided where necessary. But has this scheme been submitted to the brotherhood?

Mr. STEWART (Edmonton): You are not asking that anyone capable of looking after himself be provided for?

Mr. NICHOLSON: No.

Mr. STEWART (Edmonton): Do you argue that all the provisions made by the various organizations will be scrapped because provision is being made for old age pensions for people unable to take care of themselves?

Mr. NICHOLSON: Before you undertake to pass legislation which you will automatically force on the country, you must take these things into consideration. Manifestly this government has not done so. Now, as these various industrial concerns are already paying the costs in connection with insurance schemes and providing funds for vast numbers of employees, I contend that it is wholly unfair to expect them to contribute to old age pensions, for others. Moreover, I question whether you have the jurisdiction.

Mr. STEWART (Edmonton): Does the hon. member deny that these concerns are now contributing to the upkeep of the indigent?

Mr. NICHOLSON: Yes; that is, they are not contributing generally. And are you going to make them contribute to such pensions in addition to the provision they already make? There is no doubt that they will as a result of this legislation; for who will pay the $23,000,000?

Mr. STEWART (Edmonton): Does the hon. member argue that they are not paying now?

Mr. NICHOLSON: Most assuredly, because they are not being taxed for the purpose.

Mr. STEWART (Edmonton): Then you say there are no people in Canada who are not able to support themselves?

Mr. NICHOLSON: I speak, of course, of the province in which I live. When one of the municipalities taxes itself to take care of the indigent, does this not suggest that there are people in that community who are unable to support themselves? In any equitable scheme of old age pensions you work out you must take all these things into consideration, and if it is going to be equitable and successful it must have a contributory basis. The question has been asked, how are you going to take care of people who are now seventy years of age? Does anyone argue that it is impossible to frame an act that will take care of people seventy years of age, and at the same time provide that those under seventy years of age who are in a position to do so shall make contributions to the fund? How is it they have had such a system in Great Britain since 1908?

Mr. HEAPS: Would the hon. member favour the adoption in Canada of the scheme in operation in Great Britain?

Mr. NICHOLSON: I am in favour of a scheme of old age pensions properly worked out, made contributory on the part of those below a certain age, by which those over that age will be taken care of. I would like to see such a measure introduced in this House with some reasonable assurance that it is going to become law. The hon. member for South Toronto put the case in a nutshell when he suggested that the bill should be withdrawn and the government should introduce a federal measure of old age pensions and take the responsibility of passing it. It is the only way in which it can be done, because you cannot force legislation on the provinces without giving them some say as to the manner in which it shall be framed. This legislation has been introduced for the purpose of side-tracking the whole question. If we live a hundred years we will never see anything practical as the result of it. You cannot force it on the provinces. This federal parliament can introduce legislation providing for old age pensions and put it into effect if they are prepared to pay the whole bill, and that is all they have to do. In 1919 hon. gentlemen opposite pledged themselves to a system of old age pensions and a lot of other things which they have long since forgotten. They would have forgotten about this matter also had it not been for the two hon. members from Winnipeg, to whom the Prime Minister was forced to yield. But the government forgot all about it in the Speech from the Throne.

Mr. NEILL: Does the hon. gentleman know, or has he forgotten, that this is not a party question; and that this House in 1923 passed a resolution in favour of old age pensions?

Mr. NICHOLSON: I am not endeavouring to make a party question of it, but if the government will withdraw this wholly innocuous resolution and introduce a workable scheme for old age pensions, I will support it.

Mr. STEWART (Edmonton): And let the hon. member for East Algoma draft the bill.

Mr. NICHOLSON: You need not get so jocular over it. Ever since the beginning of the session legislation has been thrown at us without being considered. When members of the government meet around the council table they say to themselves, "What kind of legislation can we draft that will hoodwink the people and hoodwink members of the House of Commons into supporting it?" So far as we can see, this legislation is of that class. The hon. minister who interrupted me a few minutes ago had to withdraw his bill the other day because proper consideration had not been given to it.

Mr. STEWART (Edmonton): I will tell my hon. friend that legislation in regard to soldiers has always been a subject on which we have tried to get unanimous agreement in the House.

Mr. NICHOLSON: So far this session government bills have been brought into the House in a half-baked condition, making it impossible for the government—

Mr. STEWART (Edmonton): My hon. friend will not support any government bill unless it suits him personally. It may come to the point where we will have to divide on questions of this kind.

Mr. NICHOLSON: I hope the minister does not think he has me scared on that account. If he thinks I am afraid to go on record as voting against any government measure, he is badly mistaken.

Mr. STEWART (Edmonton): I will say to my hon. friend that he need not imagine that he can scare the government.

Mr. NICHOLSON: I have no intention of scaring the government; I wish simply to express my opinion. When the government brings in legislation which is wholly innocuous and meaningless, designed entirely to sidetrack the whole question, I am going to oppose it.

Mr. BROWN: Is it not a strange position to take to say the bill was brought in at the instigation of the labour men and yet brought in to fool them?

Mr. NICHOLSON: No, it is not strange at all. The whole record of the government since they came into office has been to bring in legislation to fool those members supporting the government.

Mr. BROWN: Does the hon. member think the labour men are so easily fooled?

Mr. NICHOLSON: In the first place, I do not know that there are any labour men sitting over there, and when the opportunity comes we may have occasion to discuss that question. But whether they are fooled or not fooled, this bill is designed to fool them and designed to fool every other working man who is depending on it.

Resolution reported, read the second time and concurred in. Mr. King (Kootenay) thereupon moved for leave to introduce Bill No. 21, respecting old age pensions.

Motion agreed to and bill read the first time.

On motion of Mr. Mackenzie King the House adjourned at 11.45 p.m.

Friday, April 16, 1926.

The House met at three o'clock.

PRINTING OF PARLIAMENT

Hon. CHARLES MARCIL (Bonaventure) moved:

That the first report of the joint committee of both houses on the Printing of Parliament be concurred in with the exception of the recommendation as to the printing of sessional papers Nos. 36, 84, 88, 102 and 110.

Motion agreed to.

HUDSON'S BAY EXPLORATORY SYNDICATE

On the Orders of the Day:

Mr. W. E. ROWE (Dufferin-Simcoe): I beg to call the government's attention to an article which appears in this week's Financial Post and to ask a question with reference thereto. The article to which I refer appears under the following headlines:

Offer Land on Hudson's Bay at Dollar an Acre to Cleveland Citizens.

Exploration Syndicate "Sponsored by Canadian Government" Seeks Memberships on Promise of Land Grant from Dominion—Radio Base and Aeroplane Station.

Will Raise no U.S. Flag on Discoveries.

I do not intend to inflict the whole article on the House but I should like to read some extracts from it. I quote:

"An organization of red-blooded Americans, co-operating with the Imperial Canadian government to encourage exploratory operations into Hudson's Bay and the Arctic Circle." This is the way "the Hudson's Bay Exploration Syndicate, Limited" of Cleveland, Ohio, describes itself.

The syndicate literature indicates that it is soliciting memberships at $2 apiece, and every member is promised an acre of land in the islands or territories contiguous to Hudson's Bay, "when, as if the intended land grants are made by the Canadian government to the syndicate."

The Hudson's Bay Exploratory Syndicate describes itself as an organization sponsored by the Canadian government and further sponsors for its operations, as listed, include organizations of much power and influence. They are:

"The Royal Geographic Society.

"The Ancient and Honourable Hudson's Bay Company.

"The Canadian Campfire Club of Cleveland.

"The Arctic Club of Cleveland.

"The MacMillan Polar Club.

"The National Geographic Society.

"The National Aeronautic Association.

"The Canadian-American Exploration Society, and many others."

Objects of the Syndicate

The objects of the syndicate are, by their literature, stated to be:

"To promote closer relations between two great Anglo-Saxon neighbours;

"To encourage the discovery of new territory in the Arctic Basin;

"To further co-operation between the United States and Canada in opening up to sportsmen the vast unexplored territory contiguous to Hudson's Bay;

"To establish headquarters on the Belcher Islands in Hudson's Bay for aerial operations into the unknown wilderness of the north;

"To secure accurate information relative to the Eskimos and Indian tribes;

"To found a permanent radio base in Hudson's Bay;

"To open a summer seaplane route from Cleveland direct to Hudson's Bay;

"To develop the spirit of exploration among its members and awaken a new interest in the possibilities of discovery and adventure throughout the largest remaining unexplored territory in the world, comprising upward of two million square miles."

"By special arrangement between the Canadian government and the Hudson's Bay Exploration Syndicate, Limited, a completely equipped radio station will be established by the syndicate on one of the Belcher Islands in Hudson's Bay," it is stated. "Already plans are under way to acquire title to the largest fresh water lake, christen the same 'Lake Cleveland' and erect a radio station and sea-

plane base thereon. The lake is 64 miles long, from one to five miles in width and shaped like a hairpin. It is known to abound in fresh seal, fish, fowl and game of many kinds.

"With permanent radio and sea-plane headquarters in Hudson's Bay, constant communication with civilization is certain. It will be the most popular hot weather station in America.

"Plans are now under way to secure for the syndicate valuable concessions in the Belcher Island group. It is a sportsman's paradise, comprising about five thousand square miles of wilderness almost wholly unexplored."

Further with regard to the airplane rate, the promise is made that "By the summer of 1927 the new sea-plane route from Cleveland to Hudson's Bay will be open. Any member of the Hudson's Bay Exploration Syndicate, Limited, can hop aboard at the Cleveland station in the morning, fly across Lake Erie, stop at North Bay on Lake Nipissing for luncheon and arrive at the Syndicate Camp on the Belcher Islands in Hudson's Bay in time for supper."

"The flying distance is a trifle over a thousand miles and the average speed should be 120 miles an hour, making it a delightful and fascinating daylight journey.

"From the syndicate sea-plane base on Hudson's Bay numerous air trips can be made into forests, lake and river regions never seen by white man. The possibilities for the adventurer, the explorer and the sportsman are beyond comprehension."

Will Raise no Flag

It is assured that:

"By arrangement between the syndicate and the Imperial Canadian government no jurisdictional claims will be made to territory discovered through the efforts of the syndicate or its members, and no attempt will be made to raise the American flag and lay claim to the land for the United States. The syndicate realizes that diplomatic relations with the official Canadian government are at all times essential to its success and therefore yields to Canada the right of possession and ownership to all new territories resulting from its exploratory operations."

Canada is going to make extensive grants to the syndicate, they state, and it is mentioned that for the concession of agreeing not to plant any American flags on any territory "discovered" that:

"In return for this concession the Imperial Canadian government will undertake to grant to the syndicate several large tracts of lands, and groups of islands in the Hudson's Bay region with permission to allot portions of the same to the syndicate members, under and by virtue of a special act of parliament."

Are any such negotiations or proposed arrangements as intimated in this article under way? If not, have any steps been taken to restrain the improper use of the Canadian government's name for advertising purposes?

Hon. E. M. MACDONALD (Minister of National Defence): I was not able to follow the article as the hon. member read it, but I gathered that it referred to some suggested proposal in connection with air-craft exploration. So far as I know no information has reached the government regarding any such project, but I shall read my hon. friend's question carefully and advise him later.

[Mr. Rowe.]

CANADIAN NATIONAL RAILWAYS

TRANSPORTATION OF COAL

On the Orders of the Day:

Mr. J. E. ARMSTRONG (East Lambton): I attended a sitting of the Board of Railway Commissioners this morning when the question was discussed relating to rates on the moving of coal by the railways east and west. On March 15 last a resolution was passed by this House, appointing a committee to investigate the question respecting lake and rail transportation, as well as the mining and delivery of coal. A number of questions must necessarily be disposed of before this matter can finally be dealt with, and I would ask the government when we may expect the committee to which I refer to be appointed. It is essential that the committee be constituted before the Board of Railway Commissioners' hearings are concluded, in view of the fact that a number of prominent men are likely to appear before the committee. These men should be given an opportunity to discuss various phases of the question before that committee.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall have to look at my hon. friend's question as it appears in Hansard, and reply on Monday. I understand that the hon. member refers to some resolution passed for the appointment of a committee. If I am right in that assumption I may say at once that if such a resolution was passed and the committee has not yet been appointed the government will see to its appointment forthwith, provided the whips of the respective parties will confer on the question of membership.

SELECT STANDING COMMITTEES

On the Orders of the Day:

Mr. W. G. McQUARRIE (New Westminster): When will the standing committees of the House get down to work? The session is getting on and so far we have had no meetings at all?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The committees regulate their own affairs and the government has no say in their arrangements. It is for the individual members of those committees to arrange for the sittings.

Mr. LAPOINTE: Autonomy.

PARKING ON PARLIAMENT HILL

On the Orders of the Day:

Mr. G. G. COOTE (Macleod): I would call the attention of the Minister of Public

Works to the number of automobiles that are parked in front of this building. Can some other parking space be provided for these cars?

Hon. J. H. KING (Kootenay, Minister of Public Works): I am glad to say that the department has provided parking space on both the east and the west sides of the parliament buildings, and it would be very much appreciated if those who use motor cars would take advantage of that provision. I think it would give a much better appearance to the front of the building, and the spaces provided are convenient. If hon. members concur in that, I will undertake to see that the general public do not park their cars in those spaces.

PELEE ISLAND CABLE

On the Orders of the Day:

Mr. E. J. Gott (South Essex): Mr. Speaker, I should like to inquire from the Minister of Public Works (Mr. King) if repairs have been started on the Pelee island cable; if so, how far advanced are they; and if not, when may some action be expected?

Hon. J. H. KING (Minister of Public Works): Mr. Speaker, I will make inquiries as to whether repairs have been started. I had the matter before me some weeks ago as the result of a question asked by my hon. friend. In November last the cable was disturbed by ships anchoring in the vicinity, and ice having formed on the lake, it was impossible to repair the cable at that time. I know the department intend to make the necessary repairs as soon as it is possible to do so, but I will bring the matter to their attention.

MAIL MATTER—MARKING WITH RUBBER STAMP

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, yesterday my hon. friend from Toronto West Centre (Mr. Hocken) asked a question as to whether a rubber stamped paragraph on an envelope which he sent over to me had the approval or consent of the government. I promised to confer with the Postmaster General (Hon. Mr. Murphy) in regard to it. I find that this stamped statement, or whatever it is, was undoubtedly put on by the person who sent the envelope. It was certainly not impressed on the envelope by the Post Office Department in Montreal, where the letter originated, nor, so far as is known, was it placed there by anyone connected with the government service.

I would point out to my hon. friend that the Post Office Department has no control over an envelope passing through the mails beyond requiring that the space which is used for the address shall not be interfered with. The owner of the envelope is free to print or stamp any matter on it that he wishes; there is no regulation of the Post Office Department to preclude this. I presume that is how the stamped matter referred to appears on this envelope.

My hon. friend asked me to be sure to return the envelope to him. I should like the House to bear witness that I am doing so now.

Some hon. MEMBERS: Oh, oh.

Mr. H. C. HOCKEN (Toronto West Centre): Mr. Speaker, am I to understand from the Prime Minister that any person is at liberty to rubber-stamp anything he pleases on the outside of an envelope going through the mails?

Mr. MACKENZIE KING: No, there are certain classes of matter prohibited by law, obscene matter and the like.

Mr. HOCKEN: I do not mean anything of that kind, but propaganda that any person or class of persons might desire might be put on the outside of the envelope?

Mr. MACKENZIE KING: I think anything like "Buy-made-in-Canada articles" might be stamped on envelopes and be perfectly within the law. Anything of that kind is permissible.

Mr. HOCKEN: Then I presume the Prime Minister means that if some person prepared a stamp—

Mr. SPEAKER: Order.

Mr. HOCKEN: I will ask the Prime Minister if he intends to convey the idea that any person could prepare a stamp the reverse of this one and be at liberty to put it on envelopes?

Mr. MACKENZIE KING: Quite so.

An hon. MEMBER: And make propaganda for the Orange lodge?

Mr. HOCKEN: What did my hon. friend say?

CARILLON POWER DEVELOPMENT

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): My right hon. friend the leader of the opposition (Mr. Meighen) asked me yesterday if "any permits or licenses or leases had been applied for or granted involv-

ing construction in the Ottawa river at Carillon or involving the right to export power." I have made inquiries of four of the departments that might be concerned—the Department of Marine and Fisheries, the Department of Trade and Commerce, the Department of Public Works and the Department of Railways and Canals. I am informed that no permits or licenses or leases have been granted for the purposes mentioned, though in one of the departments there is application with respect to approving the construction of some work on the Ottawa river at Carillon.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): May I ask from whom the application comes and if any protest has been lodged by the province of Ontario or the province of Quebec with respect thereto?

Mr. MACKENZIE KING: Perhaps my hon. friend will put his question in the form of a motion on the order paper and I will answer it. I have not the exact knowledge in my mind at the moment.

TWENTY-FOUR HOUR ELEVATOR SERVICE

Hon. J. H. KING (Minister of Public Works): Mr. Speaker, representations have been made to me by a number of members as to the convenience of having one of the elevators running for twenty-four hours in the day. I should like to inform them that the centre elevator to the left of the entrance will henceforth be running twenty-four hours every day.

Mr. MEIGHEN: Were any of them members of the Progressive party?

Mr. KING (Kootenay): No, I think not.

MR. J. A. DONALDSON

On the Orders of the Day:

Mr. E. J. GOTT (South Essex): Mr. Speaker, I should like to inquire of the Minister of Marine and Fisheries (Mr. Cardin) as to newspaper reports that Mr. J. A. Donaldson, a prosperous business man in the town of Kingsville, who acted as returning officer in South Essex at the last election, has been appointed harbourmaster of Kingsville. If these reports are correct, on whose recommendation was he appointed?

Mr. SPEAKER: Order. The inquiry should appear as a regular question on the order paper.

[Mr. Mackenzie King.]

SOLDIER SETTLEMENT ACT AMENDMENT

The House resumed from Tuesday, April 13 consideration in committee of Bill No. 17 to amend the Soldier Settlement Act.—Hon. Mr. Stewart—Mr. Duff in the chair.

Mr. STEWART (Edmonton): Mr. Chairman, while I have not been fortunate enough to reconcile all the suggestions offered in committee, I have done my best to get as near to them as I possibly could. I would much appreciate, Sir, if you would take the bill subclause by subclause. I may say that in clause 1 of section 68 I have made a slight change to make it clear that where the soldier has sold out his interest we are not dealing with that particular land.

Mr. CLARK: How will it read now?

Mr. STEWART (Edmonton): It is the third reprint we are dealing with to-day. For the information of the committee, I may say that we replaced the word "abandoned" with the words "who has not assigned or transferred." It was said the meaning was obscure, and we have changed the wording to make it absolutely clear.

On Section 1, 68 (1)—Revaluation of land sold to settlers.

Mr. CLARK: What particular settlers will be embraced by this section who were not embraced in the bill as it was formerly constituted??

Mr. STEWART (Edmonton): None. Exception was taken to the word "abandoned," and to make it perfectly clear what we were endeavouring to do, we changed the wording. It embraces all those whose contracts are in existence; that is the point.

Mr. CLARK: Then those soldiers who were forced off the land, by reason of the fact that they could not carry the load, have no chance of getting back and having a revaluation of their land made?

Mr. STEWART (Edmonton): Yes, provided the land has not been allocated. I do not want to lead the discussion away from this particular section, but under subsection (k), which has been added to the bill, that provision is made. For the information of the committee I might say that we argue that we have that authority under the bill, but there was a good deal of discussion about it and to put it beyond any question of doubt we drafted section (k).

Mr. CLARK: Then if the particular land which the soldier occupied has been disposed

of in some way, as has happened in a great many cases, he has no chance of getting either a revaluation or another piece of land?

Mr. STEWART (Edmonton): Practically no. I have gone into that question rather thoroughly with the board, and there are innumerable difficulties in the way. He could not even come back as a new settler, and you could not transfer his payments. Where the land is still under the control of the board we can re-establish the settler and make an allowance for any payment on principal, or at least put him in the position he occupied before his contract was rescinded. That is the situation.

Mr. CLARK: A couple of months ago I brought to the attention of the minister a report appearing in the press to the effect that about fifty empire settlers had been brought into the Fraser valley and settled on soldier lands. Has the minister investigated that report, to ascertain just what degree of truth was in it and how many empire settlers have been placed upon soldier lands in the Fraser valley?

Mr. STEWART (Edmonton): I am informed that approximately fifty are settled in that particular locality, under the scheme of empire settlement.

Mr. CLARK: The minister then proposes to do nothing whatever for the soldiers who were forced to abandon these lands, despite the fact that the empire settlers have been brought in and given the lands at a valuation much lower than that originally given the soldier settlers.

Mr. STEWART (Edmonton): I am very much afraid that that is the situation. I would be very glad to be able to remedy it if I could, but unfortunately I cannot see any way by which that could be done, in view of the difficulties which present themselves. The board, of course, take the ground that they did not in any case force anyone off these lands, and I can only speak from the report which I received in connection with this matter. I will say very frankly to my hon. friend that there is absolutely nothing to be done in a case of that kind, where the land has been allocated to someone else.

Mr. McGIBBON: Does not the minister think the government is under a moral obligation to return to those people at least the ten per cent which the government took from them and placed in the public treasury?

Mr. STEWART (Edmonton): I would very much prefer to deal with that matter apart from the question of the revaluation of the lands. We have the problem now of the men who have stuck through thick and thin and who are still on the land; there is no question in my mind that our first duty is to them. There are innumerable difficulties in connection with this matter, and I stated very frankly in the beginning that I did not see how we were going to meet every individual difficulty that might arise.

Mr. McGIBBON: I must submit, Mr. Chairman, that I think we should deal with that question now; the government took the money from those soldiers and put it into the public treasury; now they have taken their lands away and if the matter is not dealt with now it will never be dealt with.

Mr. STEWART (Edmonton): May I ask my hon. friend if he would suggest that the government pay that amount back to the man who dissipated everything, and who got the government property as well? I just mention that to show how difficult it is to deal with this problem. My hon. friend will at once answer no. Then you have to meet the difficulty of the man who, perhaps through no fault of his own, lost all his money, as against the man who will have a thousand and one claims to the effect that it was not his fault that he lost his investment. I merely mention these to show my hon. friend how difficult it is to deal with a complex question of this character.

Mr. McGIBBON: I admit that it is difficult, but it is the duty of the government to deal with difficult questions. When the government undertakes to deal with these questions they should deal with the entire question at once. A great injustice has been done to this class of soldier.

Mr. HANNESSON: We have canvassed the whole situation; some hon. members have said the whole scope should be widened, others that it should be restricted. This bill apparently goes as far as the government is prepared to go. We want to see relief given to the returned men on the land, so let us report the bill. The government have the responsibility; let us go as far as the government can go, because the soldiers should and must soon receive whatever measure of relief the government is prepared to give them. I am in favour of some extensions; I would like to see some things provided for which are not included at present, but we have covered the whole ground. The minister is not prepared to accept some suggestions; he has accepted some, so let us report the bill.

Mr. COOTE: This question has been before parliament for three or four years, and has always been put off. If we accede to the wishes of the hon. member for Muskoka (Mr. McGibbon) I am afraid we will go on with this bill for another two weeks, with the result that we will not get any revaluation for the soldiers. Let us proceed with this bill, and if these other cases should be taken up, the House can deal with them afterwards in a separate bill.

Mr. McGIBBON: I think the hon. minister is more interested in the political side of the question than in doing justice to the soldiers.

Mr. STEWART (Edmonton): I have not a word to say in reply to a statement of that character. It is unfair and quite uncalled for.

Mr. McGIBBON: I was not referring to the minister, but to the hon. member for Macleod.

Mr. BURY: Take the case of a soldier who has been put off the land through default in living up to his agreement, and whose land is sold to a new settler, and the purchase money of the new settler plus the money already paid by the soldier who has abandoned his land amounts to more than the original price of the land; does the soldier settler get any benefit from the resale of his land? What I am getting at is this: Are there any cases in which by virtue of the double sale of the land the government is getting more for it than it was originally valued at by the government? Let me put a concrete case: Suppose a soldier purchases a farm for $5,000, and pays off $2,000 of that amount, and then makes default; I am talking of the principal. He is put off his land and his farm is put up for sale and sold to a new man who pays, we will say, $4,000. Does the government get the benefit of that extra $1,000? Does the soldier settler get any benefit from the resale of the land?

Mr. STEWART (Edmonton): I am informed that that is done.

Mr. BURY: I understand that the government has about $600,000 profit from these land sales. If that is so, it is a scandal. They have no right to make money on the soldiers.

Mr. STEWART (Edmonton): It is a new question to me, but the chairman of the board informs me that in cases such as my hon. friend has mentioned where more is received for the land than the soldier's indebtedness, he receives the difference.

Mr. BURY: I am not criticizing the minister in the least, because I know there must be many things done under the machinery of the act that he is not personally familiar with, but what I am getting at is this: I understand that there is about $600,000 of a profit as a result of these land deals in connection with the soldier settlers, and I would like this House to have the assurance that there is no soldier who is being exploited, either intentionally or unintentionally, by the government of Canada or by the Soldier Settlement Board.

Mr. STEWART (Edmonton): Under the provisions of subsection 4 of section 22 of the old act the board have been repaying the difference that I have just mentioned to the settler when his land is resold.

Mr. BURY: One more question. I would like to know just what that $600,00 does represent. Where does it come from? It is a profit, and it must be capable of explanation. It must come out of the soldier somewhere.

Mr. STEWART (Edmonton): While that statement is made, I am informed by the chairman of the board that that amount is only a book-keeping surplus, because the losses incurred in the salvaging of the implements and stock more than offset that amount.

Mr. BURY: It is a profit on the land which is set over against the soldier's indebtedness on implements and stock?

Mr. STEWART (Edmonton): Yes.

Mr. BURY: Is a profit in the case of any individual soldier set off against the loss in the case of another soldier, or does every soldier get the benefit of the profit that is made on the resale of his land?

Mr. STEWART (Edmonton): Where the settler is being salvaged and more is received than the amount of his indebtedness, the board do not appropriate that surplus, but pay it back to him, I can see the difficulty my hon. friend has, and I frankly confess it is one that I would have had, but the chairman of the board informs me that while the land shows a profit of $600,000, probably owing to the 10 per cent that was contributed by the soldier, nevertheless the losses on salvaging the implements and live stock more than offset that $600,000, but that does not debar the individual soldier from receiving the difference I mentioned and the board have paid to the individual soldier the difference that arises in that respect.

Mr. BURY: All I want to know is that each individual soldier is treated on his own merits, as a separate book-keeping entity.

Mr. STEWART (Edmonton): Yes.

Mr. MURPHY: I would like to support the stand taken by the hon. member for Selkirk. I have in my constituency about as many soldier settlers I think as there are in any other constituency, and some of them were settled on as poor land probably as there is in the Dominion. I do not want the committee to think that we have a lot of poor land in my constituency, but unfortunately some of these settlers were settled on poor land. The minister in this bill is, I think, endeavouring to meet the situation, and to do justice to the soldier settlers in so far as this House can go. There will be, no doubt, cases of injustice due to the individual circumstances in which these men find themselves to-day. But I believe on the whole the minister has tried to make a workable act which will be in the interest of the returned soldiers, and I would support the stand taken by the hon. member for Selkirk that we should report the bill.

Mr. McQUARRIE: The bill provides that all applications for revaluation must be submitted to the board prior to October 1, 1926, and that they must be made by the settlers themselves. Would the minister consider adding a few words to clause (b) so that it will not be necessary for the settler to personally make application, but that application may be made on his behalf by someone else. If the application has to be sent in personally by the settler, there may be cases where owing to incapacity or temporary absence of the settler hardship will result. In my opinion either the date should be extended to the 1st of October, 1927, or such an amendment as I suggest to permit of applications being made on behalf of the settler should be made.

Mr. STEWART (Edmonton): There are several objections to that. In the first place, we cannot act without the personal affidavit of the applicant. Forms will be sent to them all. The only reason we make it October 1 is because, as my hon. friend will readily understand, the board will have considerable difficulty in making collections until this revaluation is adjusted, and that is one thing we had in mind. I would have no objection to extending it perhaps one month, but I think October 1 is ample time for everybody to make application, and even if somebody was missed I cannot conceive that because they were a day late in making application that their case would not be considered. But let us get the application in before the board and the adjustments made, so that payments may continue to come in. My hon. friend knows that interest has been suspended for the past few years. We would like to get the soldiers who are on the land dealt with and their cases settled in a permanent way in order that they make their payments to the board and carry on. Naturally it will not be done until this adjustment is made. That is the reason I made it the 1st of October. I would not like my hon. friend to press for any change in the provision as to the application. We want it to come direct from the soldier and to be supported by his affidavit.

Mr. McQUARRIE: There does not seem to be any discretionary power vested in the board to accept applications after that date.

Mr. STEWART (Edmonton): Someone may make an application a day or two late, but it is necessary to get the applications in as rapidly as possible.

Mr. McQUARRIE: How could the board accept the application if it was a day or two late? If some discretionary power was vested in the board to meet those cases I would be satisfied.

Mr. STEWART (Edmonton): The bill states specifically that the applications must be in by the 1st October, and I would like very much to have that date remain because I want to get the matter settled. The thing will be unending if we do not get these cases dealt with. Therefore there should be a settlement in order to put the soldier settlers out of suspense and let them know exactly where they stand. There are a large number of soldier settlers who are waiting to see what kind of adjustment they are going to get in order to make up their minds whether they are going to remain on the land or abandon it. Therefore, the quicker a settlement is reached the better it will be for all parties concerned. Consequently, I should not like to change the date fixed.

Mr. McQUARRIE: I only wished to see that suggestion met as to applications being made on behalf of the soldier settler. There could not be any trouble there.

Mr. STEWART (Edmonton): The application and the affidavit must come from the man himself. I have gone into that point pretty thoroughly. A considerable length of time is allowed in which to do it, and naturally there is a great deal of publicity. Every man who is on the land will know the requirements and will govern himself accordingly.

Mr. McGIBBON: Will the widows and children of deceased soldier settlers come under the scheme?

Mr. STEWART (Edmonton): Yes.

Mr. MULLINS: I think this bill has been before the House long enough.

Some hon. MEMBERS: Hear, hear.

Mr. MULLINS: The bill as it has been amended and altered by the minister suits me as the representative of the constituency of Marquette and, I think, will suit the soldier settlers in that constituency also. I believe that I have as many soldier settlers in my riding as any other hon. member here, and I take the responsibility of supporting the bill in its present form. Now, let us report the measure and pass it.

Mr. ROSS (Kingston): I hope the two hon. members who have just spoken will forgive us for trying to get some further information. I do not think I have asked any questions so far in regard to the bill, and have not said one word about it. Therefore, I do not think it would be fair for these hon. members to prevent me from gratifying my eagerness for information. Did I understand the minister to say that surplus receipts had been paid to soldier settlers?

Mr. STEWART (Edmonton): Yes.

Mr. ROSS (Kingston): In what provinces do the ex-soldiers live who received surplus receipts?

Mr. STEWART (Edmonton): I am informed that the chairman has not that information with him, but I can say that soldier settlers in several of the provinces received them.

Mr. ROSS (Kingston): In what provinces may I ask?

Mr. STEWART (Edmonton): The chairman informs me that of a certainty the answer applies to Ontario and British Columbia.

Mr. ROSS (Kingston): Can he tell us in what parts of Ontario and British Columbia the soldier settlers are located?

Mr. STEWART (Edmonton): No; we do not happen to have that information here.

Mr. ROSS (Kingston): Can he tell us what the amounts were?

Mr. STEWART (Edmonton): No; we cannot give the amount. I stated the amount was the difference between the sales price and what the soldier had paid.

Mr. CLARK: Can the minister tell us the total amounts that were repaid to the soldier settlers?

Mr. STEWART (Edmonton): No. We can get that information for the hon. gentleman and will be very glad to do so. My hon friend (Mr. Ross, Kingston) wanted the names of the provinces in which repayments had been made to soldier settlers and also the amount of such payment. We did not come prepared to give that definite information, but I will be very glad to obtain it and furnish it to my hon. friend.

Mr. ROSS (Kingston): I am not going to discuss the question, I simply wish to get information. It will be understood that many of these ex-service men have suffered. They had to pay 10 per cent of the whole amount that was paid them as a gratuity. A great many of them put up all their savings and then, on account of reasons applicable to themselves or to the department, they absolutely lost every cent they had. If the government has made $600,000 out of this arrangement there should be some money coming to those who have suffered in the way indicated.

Mr. STEWART (Edmonton): I pointed out a few moments ago that that $600,000 really did not exist because the loss on equipment much more than covered the amount paid on the land. What I want to impress upon hon. gentlemen is the fact that where an individual soldier had a balance coming to him he received it.

Mr. KENNEDY (Winnipeg): I want to press for such a measure of relief for these returned men as the government is willing to give. I think all of us concede the principle that there should be a revaluation. That is acknowledged in the bill itself. Then the question arises: To whom shall the benefit of a revaluation of soldier settler lands accrue? The bill as originally drafted provides that the benefit of revaluation shall extend in the first place to those who are still on the land. That was a very practical measure of relief. As redrafted the bill now extends the privilege of revaluation to those who, having bought lands, left them because of the inflated value and whose farms have not yet been disposed of. The benefit of the bill has been extended in that regard by the insertion of sub-section (k). That is a further measure of relief. I am entirely in accord with that relief so far as it goes. I think that to a great extent it gives relief in a practical way to most of those who are desirous of carrying on on the land immediately.

It does not, however, grant relief in two other classes of cases and to these I wish to refer. First, the case of the soldier settler who has paid up in full. No relief under the revaluation by way of a re-

fund is provided for him. I think that is unjust. Let me give two cases by way of illustration: X has a farm on one side of the road which he purchased under the soldier settlement scheme for $7,000. Y, on the opposite side of the road has also purchased a farm for $7,000. We will assume that both farms are of the same value. X has paid up in full. Y still owes $3,000. Both farms were originally bought for settlement. Under this revaluation plan, if Y's farm is revalued at $5,000 he will get a reduction of $2,000. But X, although he paid $7,000 in full, whether by borrowing or otherwise, will not get any benefit. That is unjust. I urge that men in this class should be given the benefit of revaluation. But the minister has told the House that it is not the intention of the government to go that far. The question has been fully discussed, he says, and they will not go as far as that. Well, I am for accepting from this government what we can get and the responsibility for that injustice must rest upon them.

There is one other class of cases. Take the men who abandoned their farms by reason of the fact that they were carrying too heavy a load. Subsequently their farms, having been salvaged, have been resold to empire settlers, civilians, or somebody else. Such a settler's farm having been sold he cannot come in under this scheme or secure another farm. Personally, I think he should be permitted that privilege. But the bill does not go as far as to take in that class of cases, and the minister has intimated that the government cannot extend that right to them. I take it that the government is prepared to accept that responsibility also. However, I am in accord with the bill in so far as it goes. The matter has been very fully discussed, and if the government, after having these other classes of cases pointed out to them, will go no further than the bill provides for, let us go ahead, make some progress and get such measure of relief as it is possible to obtain at the present time.

Mr. BURY: I understand we have discussed the principle of the bill; we are now considering the re-drafted clauses and I must strongly object to the railroading of the bill through while we are considering these clauses.

The CHAIRMAN: We are now considering the bill section by section and sub-section by sub-section, and I must ask hon. gentlemen to deal with the measure in that way.

Mr. STEVENS: Which sub-section is now before us?

The CHAIRMAN: Sub-section 1, 68. (1).

Mr. STEVENS: I draw attention to the fact that sub-section 1 constitutes the whole of the bill. If the chairman would be good enough to call the sub-sections following, (a), (b), (c), (d) and so on, we could then keep to a specific matter. These sub-sections are all included in sub-section 1.

The CHAIRMAN: I intend to read them, but I thought it would be necessary to read 68 first.

Mr. STEVENS: It is all included in 68.

The CHAIRMAN: Yes. Of course we are not passing the whole bill now, but we are taking it section by section.

Mr. STEVENS: I would suggest that the Chairman read the paragraphs starting with (a).

Mr. BURY: It would appear from the reading of sub-section (b) that three distinct documents have to be filed. Would it not be just as well to have one affidavit setting out the three different matters? A form of affidavit could be supplied by the board setting out the original purchase price of the land, the value of improvements and the soldier's belief as to the present value, his reasons, and so on. It looks as if he would have to supply three distinct documents.

Mr. CANNON: No, the whole thing will depend on how the form is prepared. It is a matter of detail.

Mr. BURY: I am not dealing with that point. I am dealing with the drafting of the bill. The bill provides that the application shall be supported by affidavit supplied by the board, and secondly by a written statement by the settler, which is not necessarily an affidavit at all. I suggest there should be one affidavit, setting forth the whole of the subject matter that the settler is submitting as the ground for his revaluation.

Mr. CLARK: I endorse what the hon. member has just stated; and furthermore I point out that the requirement that the affidavit shall be on forms supplied by the board puts the soldier to unnecessary inconvenience. The minister said that the board would send the forms to the soldiers. Many soldiers will not get them and many who get

them will mislay them. Why could the section not read like this:

The application shall be supported by affidavit setting forth the settler's belief as to the present value of the land, his reasons therefor and the names of the persons whom he proposes to call as witnesses.

I presume that is all that is necessary. Why should there be a statutory requirement that the affidavit shall be on a form supplied by the board? It would not be so bad if the settlers lived in a city where they could go to the office and get the forms; but some of them are living perhaps a hundred miles away from the place where they could get the forms. It is not necessary to have the forms supplied by the board——

Mr. CANNON: Unless the forms are supplied by the board the document referred to by my hon. friend would have to be prepared by a legal gentleman and there would be additional cost. Most hon. members who have spoken on this question have expressed a desire to reduce as much as possible the cost incurred to the soldier. Unless special forms are prepared by the board stating exactly what is required, these soldiers would have to go to legal men to get the forms prepared, and would have to pay costs. That is not desirable.

4 p.m.

Mr. CLARK: My hon. friend has not got the point. I am not talking about the practice or what is going to take place. I am simply speaking in regard to the drafting of the bill. I am in accord with the suggestion of sending out forms to the soldiers, in accord with the principle of preparing a form containing everything that should be in it, and in accord with the principle of having the affidavit set forth everything the soldier has to do and dispensing with any additional written statement. I am suggesting there should not be a statutory requirement that the affidavit should be on a printed form. If the affidavit contained everything set out in the statutory form, it should be sufficient. It should not be invalidated by reason of the fact that it is not on the statutory form.

Mr. STEWART (Edmonton): I am afraid my hon. friends are raising bogeys that will not exist. If we were going to administer the matter strictly from a legal standpoint and a man were shut out for a technical failure to comply with any of the requirements, it would be a direct endeavour on the part of the government to deny the soldier what is undoubtedly his right, but I think hon. gentlemen will admit that a form duly prepared, with these matters set out in rotation, is the proper thing for the soldiers

Mr. CLARK: Did I not say that?

Mr. STEWART (Edmonton): And due precaution will be taken to see that he gets them, because there are supervisors in every part of Canada, in every province, and if he does not get them by mail, anyone who makes application by letter or otherwise for such forms will be supplied with them. It will be taken that the letter is an indication of his desire to be dealt with. I do wish my hon. friends would rid their minds of the idea that any soldier will be shut out from consideration because of some legal technicality in the draughtsmanship of the bill.

Mr. CLARK: But the fact is, notwithstanding what the minister says, that the soldier who does not send in his affidavit on a printed form supplied by the department will be debarred. He must comply with this statutory requirement.

Some hon. MEMBERS: No.

Mr. CLARK: That shows how little hon. gentlemen know about the effect of statutory requirements. The minister suggests that we are putting up a legal bogey. No more ridiculous suggestion could be made. The principle of the bill having been decided upon, we must necessarily consider the draughtsmanship from the legal standpoint. We do not want the bill draughted by a farmer, and the sooner the minister recognizes as a sound constitutional principle the legal draughtsmanship of this legislation the better it will be for him and his department. I am not raising any bogey at all; I am suggesting something which I trust will facilitate the passage of the bill and at the same time assist not only the department but, as well, the soldier who wants to take advantage of this legislation. The suggestion I make is a simple one. What possible objection could there be to having the soldier supply a declaration in some form other than an affidavit if he should happen to lose the printed form supplied him?

Mr. STEWART (Edmonton): Is the hon member arguing against the submission of the printed form proposed?

Mr. CLARK: The minister has missed the point I have raised three times already. I am in perfect accord with the suggestion that the department should prepare a form for submission by the soldier, but I suggest that if by accident the soldier should lose that form a declaration to the same effect be considered valid. That would preclude any possibility of his being shut out from consideration.

Mr. FORKE: I do not see why the minister should not accept the hon. member's suggestion. Possibly, however, the man in sending in his own form might forget to dot his i's and cross his t's.

Mr. CLARK: Does my hon. friend want to deprive any soldier of any right to which he may be entitled, simply because he happens to send in some other form than that supplied by the department?

Mr. FORKE: No; I do not want to shut out any soldier.

Mr. BROWN: The difficulty might be met by the use of some such words as these, "that the application shall not be considered invalid by reason of the use of some other form." I do not think any difficulty such as my hon. friend apprehends will actually occur, but the minister might accept this suggestion to set all doubts at rest.

Mr. BENNETT: I do not think that in this particular case an affidavit would be permissible; what is here required is a statutory declaration. My suggestion is that paragraph (b) be amended to read:

The application shall be supported by a statutory declaration setting out the original purchase price of the land.

As regards the other requirements as to a written statement and the names and addresses of witnesses, which particulars under the section as it stands are to be supplied on the printed form containing the affidavit, these are matters that could be made the subject of regulation as provided for in paragraph (j). I am sure the minister has misapprehended what my hon. friend (Mr. Clark) has said. There is no tendency whatever on the part of lawyers to be unnecessarily technical, but there is undoubtedly a tendency on the part of members of the committee to assume that when a lawyer makes a suggestion looking to the improvement of a bill he is doing so for the purpose of creating difficulties. That is altogether wrong. I would point out to the minister the danger to which the soldier is exposed under the bill as it stands. For example, paragraph (d) provides that all applications for revaluation shall be submitted to the board prior to the first day of October, 1926. Suppose some soldier should fail to send in his application before October 5: that application would be rejected under this provision. We ought to fix a date late enough to avoid any difficulty of this kind, say November 1. I suggest that the minister amend the section as I propose; a statutory declaration and not an affidavit is what is here required. Perhaps the Solicitor General will give his opinion on that point.

Mr. CANNON: A statutory declaration or an affidavit.

Mr. BENNETT: The cases in which affidavits are permissible are limited. In the present instance a statutory declaration would be necessary.

Mr. STEWART (Edmonton): Did my hon friend refer to some other part of the section besides paragraph (b)?

Mr. BENNETT: Yes, the written statement as to the value of the land and the names and addresses of witnesses would be a matter of regulation under paragraph (j).

Mr. CANNON: Perhaps the following draft will meet the views of the committee:

The application shall be supported by a statutory declaration setting forth,

(1) The original purchase price of the land and the value of improvements effected since the establishment of the settler thereon.

2. His belief as to the present value of the land and his reasons therefor.

3. The names and addresses of any persons whom the settler proposes as witnesses to the present value.

Mr. BURY: Certainly; it is the suggestion I made in the beginning.

Mr. CANNON: Would that be satisfactory?

Mr. BENNETT: Certainly.

Mr. McQUARRIE: I think the third is a most unusual provision. Even on discovery in a civil case, as the Solicitor General (Mr. Cannon) is no doubt aware, the other side is not entitled to get the names of witnesses. Why is it necessary in this case? I submit that it is fundamentally wrong and unjust. I think the settler should put in his application and afterwards appear with his witnesses at the hearing.

Mr. CANNON: But this is exceptional procedure and the provision is intended to make the soldier settler show that his claim is serious. As to the regulations which are referred to further on, something might be inserted there to the effect that if any witnesses have been omitted from the original declaration, later they may easily be brought before the board.

Mr. GEARY: That is provided for under the Public Inquiries Act. I suppose, Mr. Chairman, the reason for this is that the man need not come himself; his whole case is given to the board, and the board may call the witnesses he has designated.

Mr. STEWART (Edmonton): It is really to facilitate his getting his witnesses before the board. However, I have no objection to striking out the paragraph.

Mr. BENNETT: No.

Mr. GEARY: If you are preparing a form the notification should be put at the top.

Mr. STEWART (Edmonton): Yes.

Mr. CARMICHAEL: This third subsection apparently leaves it optional with the soldier to supply any names. To my mind this is a very important subsection. I recall when the resolution was before the House a few weeks ago I proposed an additional procedure on the part of the soldier to support his application. I did not get any reply from the minister at that time, and I have been wondering if he heard me. I am of the opinion that a great many soldier settlers are in need of having their land revalued, and every last one who is entitled to it should have this privilege; but I am also of opinion that there are quite a considerable number—and I am thinking of my own constituency when I say this—who are not entitled to a revaluation. There is nothing in this subsection to prevent such men making application for a revaluation. They have simply to give a written statement setting forth their belief as to the value of their land. If a man believes his land will be revalued for $500 or $1,000 less, he is likely to stretch his belief a long way. I have suggested, and I again suggest, that the application of the soldier settler should be supported by a resolution, duly moved and passed by the local municipal council. I should like to hear if the minister has any objection to the addition of a fourth subsection reading somewhat as follows:

4. By a written statement of the local municipal council setting forth their belief as to the present value and their reasons therefor.

I make this proposal because the municipal councillors know the land and know the settler and are in a better position to give a fair and impartial view than he is himself.

Mr. FRASER: Before the minister considers that suggestion, let me point out that it would not work at all in British Columbia.

Mr. NEILL: Hear, hear.

Mr. FRASER: That part of the province which is municipalized is very small, and a very large proportion of the soldiers are in the absolutely unorganized districts.

Mr. STEWART (Edmonton): I agree with my hon. friend from Kindersley (Mr. Carmichael) that one undoubtedly would get reliable information from a municipal council. Perhaps no body of men know their locality better than they do. But the adoption of his suggestion would entail the expense of notifying them, and I think he will agree with me that if the local council reported against any revaluation they would be in a rather awkward position, and the soldier would have an everlasting grievance. That is one of the reasons why I felt it necessary to extend the privilege of revaluation to every soldier whether entitled to consideration or not. Our hope is that we will settle this once for all, giving every man a full opportunity to make his statement, and then the board will either agree or disagree with it. Naturally, in dealing with it they would seek their information from the very body that my hon. friend has mentioned.

The CHAIRMAN: I will read the subsection as amended.

Moved by Mr. CANNON that:

Subsection (b) be amended to read as follows:

The application shall be supported by a statutory declaration setting out:

1. The original purchase price of the land and the value of the improvements effected since the establishment of the settler thereon.
2. His belief as to the present value of the land and his reasons therefor.
3. The names and addresses of any persons whom the settler proposes as witnesses to the present value.

Shall the subsection carry?

Mr. BLACK (Yukon): It was not intended by the minister originally that the whole statement of the settler setting forth his belief as to the present value of his land and the reasons therefor should be under oath. Why is it necessary to go further now and have all the material under oath?

Mr. CANNON: The amendment was suggested by the hon. member for West Calgary (Mr. Bennett) and the hon. member for Vancouver Centre (Mr. Stevens). It was stated that the clause as it read in the bill would mean practically the preparation of three different documents by the soldiers, and that they might have trouble in preparing them. In order to simplify matters this amendment is proposed. Under it there would be only one document, which would contain the particulars enumerated in the clause as it read originally. I do not think there is any serious suggestion that the settler should in a statutory declaration state his reason for a revaluation. If he is serious he will have no objection to putting that in a declaration.

Mr. BURY: It should all be under oath.

Mr. CANNON: That is my opinion.

Mr. McQUARRIE: Would the Solicitor General agree to the addition of a provision at the end of the amendment to the effect that the settler may call witnesses who are not included in that list?

Mr. CANNON: In order not to complicate the clause I think my hon. friend should refer to clause (j) on page 3. The regulations, which are to be made by the Governor in Council, could cover these cases.

Mr. McQUARRIE: Very well, if that is understood.

Mr. CLARK: What regulations are those?

Mr. STEWART (Edmonton): All the regulations for the hearings.

Mr. CLARK: I think my hon. friend from New Westminster (Mr. McQuarrie) has raised a rather important point. The settler may think he has given the names of all the witnesses he desires to call, but there should be some provision in the bill itself permitting the presiding officer to call additional witnesses if it is thought necessary.

Mr. STEWART (Edmonton): Perhaps we could clear that up by striking out the reference to witnesses.

Mr. CANNON: If we did that we might work a hardship on the soldier.

Mr. STEWART (Edmonton): I am quite prepared to strike that out, because I anticipate that we will have trouble when the regulations come up.

Mr. BOYS: I would like to support that. I do not want to make a speech again, but I feel it my duty to support what has been said about the names and addresses of the witnesses There is no earthly reason for that. It is a very unusual thing; no man is supposed to disclose the names and addresses of his witnesses. Another and more serious objection is this: Is it really proposed that when this list is given and the matter is heard, the settler cannot call anyone else? If we are to have an amendment at all why not get rid of the whole thing, and set out the three things originally proposed, the original price of the land; the value of improvements and the present value of the land. I am going to make this suggestion, that those three items be given, and verified by affidavit.

Mr. BURY: Under the amendment proposed by the Solicitor General there must be a statutory declaration, and it cannot be done otherwise.

Mr. CANNON: I have no objection to striking out the last part of my amendment, that is,

> The names and addresses of any persons whom the settler proposes as witnesses to the present value.

The statutory declaration would then apply only to the other two points.

Paragraph (b) as amended agreed to.

On paragraph (c)—How depreciation shall be computed:

Mr. CLARK: I would like to ask the minister why the improvements are included. I understood that this was a revaluation of land, and I also understood that there had been a rebate allowed in respect of improvements. Why are the two linked together now?

Mr. STEWART (Edmonton): Does my hon. friend mean that there has already been a rebate for improvements?

Mr. CLARK: I am not sure whether there was really a rebate, but there was a bill before the House to that effect.

Mr. BURY: I take it that the improvements referred to would be part of the land. They are the fences, the wells, the breaking, the clearing and the houses, and when they are sold to the settler they are sold as part of the land. They are only distinguished from the land for the purposes of the land titles acts of some of the provinces. When you sell so many acres of land, with so much broken, so much cleared, so much fencing done, a well, a residence, a barn and so on, they become part of the land and are sold with it. Therefore if you leave out the words "and the improvements" you will cover everything.

Mr. CANNON: It means the improvements sold to the settler.

Mr. STEWART (Edmonton): I am given to understand that the old act makes that definition. I quite agree with my hon. friend that the improvements are included with the land, but apparently those words were inserted to meet an objection raised in committee. In one case we might have a man who, by his action, had reduced the value of the land, while on the other hand his neighbour, by industry, had improved the value of the land by adding permanent improvements. It was to meet that objection which was raised in committee that these words were inserted, so that the settler would receive consideration for the improvements made while he occupied the land.

Mr. BURY: Still I do not see the point, because when the soldier buys land he buys it with so much clearing, so much breaking, so much fencing, so many buldings and so on, and he buys it as land. For the sake of convenience a distinction was made between land and improvements, but he bought it as a farm, as land. If, when you come to revalue that, you take the difference between the value of the land you sold him, the price at which it was sold, and the present value of the land, you will get the same thing.

Mr. STEWART (Edmonton): I may say that I argued in the same way, but I did not convince the committee that that man would be taken care of.

Mr. CLARK: I agree with the hon. member for East Edmonton (Mr. Bury) on the legal principle, but supposing a man buys unimproved land for $3,000. He then puts improvements on the land to the value of $1,500, and they become part of the land. They are called improvements, but they are really a part of the land, which makes a total value of $4,500. In other words, he has added $1,500 to the value of his property by his own effort. He is of opinion that the land has depreciated in value by fifty per cent. His land is therefore worth $1,500, but assuming that the improvements have not depreciated in value, the total value of his property will be to-day exactly what it was when he acquired it, namely, $3,000.

Mr. STEWART (Edmonton): That is exactly what we cover in this subsection.

Mr. CLARK: Is that man entitled to a revaluation? Is he entitled to any consideration for the depreciation in land value, apart from his improvements?

Mr. STEWART (Edmonton): Yes.

Mr. CLARK: I confess that I cannot see at the moment just where that is provided for in this act.

Mr. STEWART (Edmonton): I thought we were providing for that contingency; we made it very clear in the former drafts that improvements made by the settler would be taken into consideration. This covers the point just raised by my hon. friend. In that case the idea would be to give the settler full credit for the improvements placed upon the land by himself; the valuation would be made quite apart from those improvements, and a reduction made in accordance with that valuation.

Mr. STIRLING: Does not the matter which I raised the other day, in connection with the orchard men, come under such amended wording as this? The point I was making was that two men might go on to two pieces of orchard land, in the beginning equal in value. Young trees are planted, or the trees are a year old when the men acquire the property. One man, by his industry and successful work, increases the value of his land, while his neighbour, by less excellent work, does not so increase the value of his land. If you compare the original purchase price with the price to-day, the man who did the better work will not get the benefit.

Mr. STEWART (Edmonton): The amendment was introduced to cover exactly the cases cited by both hon. gentlemen, that is, where permanent improvements had been made, which, after all, apply to the land itself. I agree with my hon. friend that we had that covered, but in order to satisfy the committee we added those words, and every case of that kind will be considered on its merits. The value that was contributed to the property by the soldier himself will be given consideration and not be included in the reduction in valuation, if any, of the property.

Mr. BURY: I do not like to speak so often but this is an important matter. What I am going to suggest to the minister is this: There are apparently now to be considered two factors in valuing the property which the settler purchased—the factor of the raw land, and the factor of the improvements worked into or put upon that raw land. When you come to revalue, I think you will have to revalue those two factors separately. I think you will have to take into account this question: Has the value of raw land in this district gone down as raw land? If it has, the settler must be compensated or get a concession in respect of the reduction in the value of the raw land in that district. Then take the second factor, the improvements that he purchased at the time. He may have allowed those improvements to go down, or he may have added to them. For that reason I think you will have to keep these two factors separate—the factor of the raw land, and the factor of the improvement. In the revaluation you will have to ask yourself: what was the value of the raw land when that man purchased? One thousand dollars; the value of that raw land now is eight hundred dollars. Very well then; the farm in respect of that factor has depreciated two hundred dollars. Then take the other factor, the improvements. What was the value of the improvements at the time he purchased? One thousand or fifteen hundred dollars. What is the value of the improvements now? It has gone up.

Very well then, we need not bother in that case. The value has gone down; then we must take into account the depreciation of the improvements. I do not know whether I have made myself clear, but I do not think you will settle this question until you keep those two factors separate and have a revaluation of the two factors.

Mr. STEWART (Edmonton): I think it is quite unnecessary that we should go into that detail in the bill, but undoubtedly that would have to be the basis on which the revaluation would be made, because there are the two factors here. We wanted to make it perfectly clear that if the soldier by his own labour and industry had improved the value of the property, he should be given consideration for that improvement.

Mr. CLARK: But this section does not do that. As this section reads, if a man buys land and improvements through the Soldier Settlement Board, and adds to those improvements by building a barn or an addition to his house, he will not receive credit for those improvements under the section as drafted. They will be added to the present value of the land, and if the present value of the land with these improvements that have been made by the soldier himself equals the price which he paid for the farm originally, he will not be entitled to any revaluation.

Mr. STEWART (Edmonton): My hon. friend is hardly correct there. Take the concrete case he mentions, where the soldier adds a barn to the land and improvements that were sold to him at a fixed price, and he makes that improvement by his own industry or with money he has procured. Of necessity that improvement adds to the value of that particular farm. It may have depreciated from the day he built it, but the present day value of that improvement would be credited to him, and would not be taken into consideration in fixing the depreciation of the property. We are endeavouring to give credit for the improvements the settler puts in, for the improvements which were not made by the government, and which were not in existence when the settler took possession of the property. It is a little bit complicated, but that is the clear intention of what we are endeavouring to do here.

Mr. BOYS: I think we are all in accord as to what is desired here, but possibly there is some room for doubt as to whether that will be accomplished by the wording as it stands, and if there is any doubt, I would like to suggest to the minister that he add in the seventh line of subsection (c) after the word "board" the words:

> In determining the present market value of the land improvements made by the settler shall not be included.

I think we all agree that that is the intention, but reading the section there seems to be room for some little doubt. Why not place it beyond peradventure? If you insert those words, the arbitrators are bound by that.

Mr. BLACK (Yukon): Why "market" value?

Mr. BOYS: That is the language that appears here. I am right when I assume that that is the intention of the minister, and unless we are all agreed that there is no doubt about this section, by adding the words I have suggested, we can set the matter at rest, In other words, when the soldier got the land there was no barn on it; he has put up a barn, say, worth $500. Now in determining the present market value, it is not fair to value that barn because he never got it from the board; that is his own work. So I say the value of that improvement shall not be included.

Mr. STEWART (Edmonton): That is precisely what we thought we were doing.

Mr. BOYS: The minister has apparently not understood what I said at first. All I am saying is that if there is any room for doubt as to whether that intention is being accomplished by the present wording, we can set the matter at rest at once by adding the words I have suggested. Possibly it would be tautology; I do not say it would not. I am inclined to agree with the minister that the wording he has got perhaps does what he intends, but I do not think it is free from doubt, and we might just as well set it at rest.

Mr. STEWART (Edmonton): Frankly I do not think it is required, but if you want to put it beyond any doubt, I will accept the amendment.

Mr. MURPHY: Improvements apply not only to the buildings but to the land itself. A farm would be improved if additional acreage had been brought under cultivation.

Mr. STEWART (Edmonton): Yes, it would. Anything that was contributed by the settler himself to improving the property would be included. I accept the amendment, Mr. Chairman.

Mr. CANNON: I move:

That after the word "board" in line seven of subsection (c) there be added the words: in determining the present market value of the land improvements made by the settler shall not be included;

Amendment agreed to.

Paragraph (c) as amended agreed to.

On paragraph (d)—Time for application.

Mr. BURY: I should like to move that the subsection be amended by adding these words:

Provided, however, that the time hereby limited for the submission of such application may be extended under the regulations made hereunder.

My reason for suggesting this amendment is that as the hon. member for West Calgary (Mr. Bennett) has pointed out no regulations can change the clearly expressed language of the act itself. The regulations are only made to carry out the purpose of the act, they are only machinery for carrying out that purpose. The moment a regulation goes beyond the language of the act it becomes ultra vires of the Governor General in Council and is utterly useless. There is no use in saying that you are going to give a power to the minister or to the department to extend by regulations the time in the act where that time is expressly fixed.

Mr. FRASER: I want to point out the necessity of the minister having a more flexible provision than that contained in this particular subsection. In British Columbia there are districts far removed from any county court judge into which that judge makes but one trip a year. Therefore, soldier settlers in such districts might not be able to make their application to, or appear before, a judge before the first of October.

Mr. STEWART (Edmonton): It may be that there are districts where such cases might arise but they would not occur in the territory to which my hon. friend refers. There are no settlers in that territory on purchased lands, they are all on crown lands. Perhaps, for the purposes of simplification, we might strike the subsection out altogether and leave it to the regulation of the board, or simply say that the final date for receiving applications will be fixed by the board.

Mr. BURY: The objection I see to that is that when you have a date fixed under an act it is a final notice to all the world that applications must be in by that date.

Mr. CANNON: Would my hon. friend not be satisfied if we were to add the words "or any further date fixed by the board by regulation?"

[Mr. C. A. Stewart.]

Mr. BURY: What I had in mind was not the regulation fixing the date but the provision that the board might, in the event of an application coming in after the first of October, accept it.

Mr. STEWART (Edmonton): At their pleasure.

Mr. BURY: Yes.

Mr. STEWART (Edmonton): I suggest that the point my hon. friend makes is covered here with very much less wording.

Mr. BURY: No, it is not covered. Under the statute an application must be in by October 1. Now, if one comes in on the 2nd of October and is accepted it is open to anybody to upset the revaluation made at that hearing because it was made without authority under the statute. It was made in respect of an application that did not conform to the requirements in the statute. There is no use laughing about legal technicalities, that is the law.

Sir EUGENE FISET: How would it do if you added the words:

Except as otherwise provided by regulations.

Mr. CANNON: I think the amendment suggested by the hon. member for Rimouski would meet the idea we all have in mind.

Mr. BURY: Except to this extent: It is better to have a definite date in the act because it is a warning to the soldier settler that the application must be in by that date.

Sir EUGENE FISET: What I suggest is the usual wording in such cases.

Amendment (Sir Eugene Fiset) agreed to.

Paragraph as amended agreed to.

Paragraphs (e) and (f) agreed to.

On paragraph (g)—Expenditure.

Mr. CLARK: I think I pointed out the other day when this subsection was under review that no per diem allowance could be paid to the arbitrators except out-of-pocket expenses for the day. For instance, you might pay their expenses, but you could not pay them a salary or a per diem allowance by way of remuneration.

Mr. CANNON: Does my hon. friend not think this matter should be left to be settled by the Governor in Council by regulation, instead of putting it in the bill? I think the suggestion made by my hon. friend was very good, but it will be very hard to provide in the bill for every detail.

Mr. BOYS: Has the minister considered whether or not, in the event of the applica-

tion being successful, any allowance is to be made to the soldier for the expense he has incurred? I do not want to say for one moment that the board should be given power to allow counsel fees to lawyers, but I wish to urge that where the settler makes an application in good faith and is successful, the board should have power to award him reasonable and actual disbursements for himself and his witnesses in establishing his case.

Mr. STEWART (Edmonton): I have given some thought to that suggestion, and I feel that some assistance will have to be given to the settlers, whether they are successful or not. I doubt whether you can discriminate between the man who fails and the man who is given a reduction.

Mr. BOYS: Why not?

Mr. BURY: I think you can, if you give your arbitration committee the power, where a man has without justification applied for a revaluation, to penalize him by refusing to pay his costs. That is very often done.

Mr. BOYS: I feel very strongly on this point, and I cannot see any reason why a soldier who has a good case and establishes it should not get his disbursements. If you do not make such a provision you are depriving him of that much money. Suppose the award were $400, his disbursements might amount to $50, $75 or possibly $100. The distances are great. He will have probably five or six witnesses, and it does not take long to eat up $50. I suggest that the costs be confined to the man and his witnesses, with no allowance for counsel fees, the matter to be left to the discretion of the board. You can limit it if you like; you can provide that the amount in any individual case shall not exceed $75. I think you should give the board that discretion.

Mr. STEWART (Edmonton): I have never thought otherwise than that some help would have to be given to the men.

Mr. BOYS: Why not insert the provision in the bill?

Mr. STEWART (Edmonton): We will have to cover innumerable details in the regulations.

Mr. STEVENS: But this is a power which should be provided in the act.

Mr. BOYS: I do not argue that you should put a whole lot of procedure in the act in regard to the matter covered by subsection (j), but you have a distinct section reading as follows:

(g) Expenditures necessarily incurred by or in connection with any district arbitration committee shall be paid out of moneys appropriated from time to time by parliament to soldier land settlement.

Surely that could not be extended to give the right to award something to the soldier settler. That is expenditure incurred by the district arbitration committee; in other words, the per diem for the committee and their travelling expenses. It does not mean anything else. It does not refer to costs incurred by the soldier. If it did I would be quite satisfied, but I think a change is necessary if you wish to make it apply to the settler.

Mr. STEWART (Edmonton): Perhaps we could meet that difficulty by striking out the words:

Expenditures necessarily incurred by or in connection with any district arbitration committee.

Mr. CANNON: Make it read "under this act."

Mr. BOYS: You get away then from what I think is so important, the question of discretion. I do not go so far as to say that the settler, whether successful or not, should be entitled to make a demand for any expenses he has been put to. It is well to have a check on the expenditure, so that if the settler has not a case which he feels sure he could win, he will not make application. But if he has a good case and wins, why should he not get expenses? The Solicitor General must appreciate that.

Mr. CANNON: I do appreciate that, but the point raised by my hon. friend was that under the clause as it reads, on
5 p.m. account of the words "or in connection with any district arbitration committee" the board would not have power to grant those costs.

Mr. BOYS: Quite so.

Mr. CANNON: But the clause might be amended to read:

Any expenditures incurred under this act shall be paid out of moneys appropriated by parliament.

Then if regulations were made to meet the case my hon. friend puts, the board would have discretion. I think the Federal Appeal Board has such discretion.

Mr. BURY: If you make it read so as to cover expenditures in connection with or under this act, then the expenditure of a soldier applicant who fails are as much expenditures under the act as the expenditures of a soldier who succeeds, and there is no suggestion that you should go that length.

Mr. BOYS: If you add at the end of this clause words to this effect:

And in every case in which an applicant is successful the board may in its discretion award him a

reasonable sum to cover his actual expenses, not including witness fees.

Mr. STEWART (Edmonton): I would very much prefer if we could do what my hon. friend suggests, but avoid putting it in the act, because immediately you make such a provision and the board grants even a moderate sum to a successful applicant, there is a precedent established at once.

Mr. BOYS: I do not understand what the minister means by establishing a precedent.

Mr. STEWART (Edmonton): John Smith is successful and obtains a favourable decision. His sale price is reduced by $1,000. He has brought five witnesses and travelled perhaps thirty miles. His expenses are $35 or $40, and the board grants those expenses. At once a precedent is established.

Mr. BOYS: I am arguing that every successful settler should get such an allowance.

Mr. STEWART (Edmonton): That soldier is getting a consideration. He is getting a reduction of $1,000 which is a considerable sum to him. True, he had to go to a lot of trouble in getting an award, and it may be argued that he has suffered injury in that he should have got that allowance long ago. But he took upon himself the responsibility of purchasing the land in the first place; it was not forced upon him and now he is reimbursed his expenditures. On the other hand, another applicant is not successful, and we say to him, "We will do nothing for you." He may have been just as sincere in his application and may have spent just as much money; yet he discovers he is not getting a reduction, and he has to pay his own costs. None of us knows when we go into matters of this kind in all good faith and honesty of purpose what is going to happen, and I am afraid in this case there might be some trouble. We may safely be trusted to exercise reasonable judgment in dealing with the soldiers, not particularly in discrimination against the one who fails.

Mr. BOYS: There should be a distinction between the settler who has suffered and the one who has not. A man who is unsuccessful in his application to the board has not suffered, whereas the very fact that a soldier is successful in his claim proves the injury he has sustained. I am not suggesting for a moment that the minister is trying to deprive the settler of anything, but I do want to see that the settler gets his desserts. Fifty dollars would probably pay witness fees; certainly $75 would.

[Mr. Boys.]

Mr. CANNON: I move that the paragraph be amended to read:

Expenditures necessarily incurred by or in connection with the administration of this act shall be paid out of moneys appropriated from time to time by parliament to soldier land settlement, as may be provided by regulation.

As regards the suggestion of my hon. friend to fix a maximum of $50, it is absolutely impossible to embody every detail in an act; a good many things must be left to regulation. This is done in the case of the Federal Appeal Board.

Mr. BOYS: I am not sure, but I think in that case it will be found that the board has power in the matter of costs. There is, however, nothing in this section to provide for the payment of costs.

Mr. CANNON: That is why I propose the amendment.

Mr. BOYS: That is the difficulty. The Solicitor General is proposing to amend the section in regard to something that is not contemplated at all. The section contemplates the naming of a fund out of which the money is to be paid, whereas the proposition I make is totally different. I propose to give the board the power to pay certain expenses incurred by the settler. Apparently there is a desire on the part of the minister not to make this feature of the bill public lest it be abused.

Mr. STEWART (Edmonton): That is correct.

Mr. BOYS: That appeals to me to some extent, although I cannot see why if a man has been successful in his claim he should not get the relief to which he is entitled. You are giving the deserving man certain relief with one hand while you are taking away from him with the other a percentage thereof, which will be measured by the expenses to which he has been put. However, so long as I am assured that the minister will make the necessary regulation to cover the point I am satisfied. Certainly I do not want to see an arbitration committee given unlimited power in the making of awards in connection with expenses, without fees, and so on.

The CHAIRMAN: Carried.

Mr. BURY: As amended?

The CHAIRMAN: Yes.

Mr. NEILL: The section as amended is not clearly worded. I suggest that it be made to read:

Expenditures necessarily incurred by or in connection with the administration of this act, as may be

provided by regulation, shall be paid out of moneys appropriated from time to time by parliament to soldier land settlement.

Mr. STEWART (Edmonton): That is satisfactory.

Mr. CANNON: I move that the paragraph as so amended be agreed to.

Motion agreed to.

Paragraph as amended agreed to.

Paragraphs (h) to (k) inclusive agreed to.

The CHAIRMAN: Shall the preamble carry?

Mr. NEILL: We have not passed section 1 yet.

Mr. CANNON: It is all section 1.

Mr. NEILL: We have passed subsections (a), (b), and so on, but we have not passed section 1. The hon. member for Vancouver Centre (Mr. Stevens) raised the point.

The CHAIRMAN: It was the understanding that we would carry the subsections separately and then the whole section would be taken as carried.

Mr. STEVENS: Shall section 1 carry?

Section 1 as amended agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. SPEAKER: When shall said bill be read the third time?

Mr. STEVENS: Next sitting of the House.

Some hon. MEMBERS: Now.

Mr. SPEAKER: Next sitting of the House.

OLD AGE PENSIONS

Hon. J. H. KING (Minister of Public Works) moved the second reading of Bill No. 21, respecting old age pensions.

Mr. STEVENS: Is this bill printed?

Mr. KING (Kootenay): Yes.

Mr. SPEAKER: Carried.

Mr. STEVENS: Mr. Speaker, this is unnecessarily rapid. I notice on the order paper the bill is not shown as printed at all, at least the letters "E.F."—English and French—are not noted.

Mr. SPEAKER: Quite so.

Mr. STEVENS: I am not desirous of obstructing the government's progress, but we are proceeding at a pretty rapid rate.

Mr. SPEAKER: I said "carried" because I understood the House was anxious to go into committee. I am informed that the bill was printed this morning and distributed.

Mr. STEVENS: I was guided in my remarks, Mr. Speaker, by what I found in the orders of the day.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Duff in the chair.

Section 1 agreed to.

On section 2—Definitions.

Mr. STEVENS: I notice the Yukon Territory is included in this section. I presume the Northwest Territories should also be included?

Mr. KING (Kootenay): Yes. My understanding was that in the drafting of the bill the Northwest Territories would be included. I think they should be.

Mr. STEVENS: They apparently are not included. Should you include them, another point would have to be considered. That is, there would be no provincial authority to contribute one-half the cost, so that the federal government in that case ought to bear all the cost. Consequently it would be scarcely proper to include either Yukon Territory or the Northwest Territories.

Mr. BLACK (Yukon): Mr. Chairman, although the minister informed me when the resolution was before the House that the bill would be drafted to apply to the Yukon territory, I cannot see by its terms how the bill can possibly apply. The mere statement in paragraph (d) of section 2 that the word "province" includes Yukon Territory does not make the bill workable by any means. For instance, section 3 provides that the Governor in Council may make an agreement with the lieutenant governor in council of any province. Suppose you read the word "territory" there, there is no such thing as a lieutenant governor in council in Yukon Territory.

Section 6 mentions the Northwest Territories and provides that as soon as agreements under this act have been made with two of the provinces adjoining the Northwest Territories, the commissioner of the said territories may submit to the Governor in Council for approval a scheme for the administration and payment of pensions therein. If you are going to treat Yukon Territory in the same way, you will find

there are no two provinces that do adjoin that territory; it adjoins British Columbia only.

Mr. KING (Kootenay): The proposal, I think, is that the northwest provinces or districts and Yukon Territory will be qualified under this legislation to make an agreement with the federal government in the matter of pensions.

Mr. STEVENS: But we want the minister to inform us how that is to be done; it does not appear in the act.

Mr. BOYS: It seems to me that what has been stated by the hon. member for Yukon (Mr. Black) has only to be heard to enable the minister to see at once that a change in the wording of this act is necessary. Let us just apply it for a moment, to see whether or not that is an exaggerated statement. I understand the intention is to cover, among other portions of Canada, the Yukon Territory, and that the minister seeks to make the act applicable to that territory by explaining the meaning of the word "province", which is supposed to include the Yukon Territory. With that before us, let us turn to section 3:

> The Governor in Council may make an agreement with the Lieutenant-Governor in Council of any province—

There is no such person as the lieutenant governor of Yukon Territory, and therefore you could not make an agreement with the Yukon Territory.

Mr. KING (Kootenay): They have a council, and I am not sure that you could not make an agreement; I think you could.

Mr. BURY: But surely the minister does not suggest that the council of the Yukon is the lieutenant governor?

Mr. KING (Kootenay): No.

Mr. BURY: Or that the council could, by any process of reasoning or any stretching of words, be made to come within the meaning of the words "lieutenant governor"?

Mr. BLACK (Yukon): There never has been a lieutenant governor of the Yukon. Formerly there was a commissioner but there is only a gold commissioner now, so the words are not at all applicable.

Mr. HEAPS: Could not this clause be amended so as to include a representative of the Yukon?

Mr. BOYS: It is not suggested that it cannot be amended, but it is not correct now. It may be said that we who happen to be of the legal profession make these suggestions for the sake of a bit of fun or as a means of obstruction or something of that sort. I think hon. gentlemen see, however, that there is more than that in our suggestions; we are endeavouring to make this act effective and applicable to the Yukon Territory. Unless there is a change made, in my humble opinion it will not so apply.

An hon. MEMBER: What change does my hon. friend suggest?

Mr. BOYS: I do not know that in ten seconds I could give the appropriate language, but all one has to do is read the present wording to see that it is not correct.

Mr. KING (Kootenay): If what my hon. friend states is correct we will certainly consider the matter, because we want the act to apply to the Yukon Territory and the northwest provinces. If that has not been worked out, it will be looked after.

Mr. ELLIOTT: It is quite apparent that the word "province" is intended to include the Yukon Territory; it is quite evident from section 6 that the Northwest Territories are not to be so included, and that agreement must be arranged separately. It is probable that after the words "the Governor in Council may make an agreement with the Lieutenant Governor in Council of any province" there should be inserted "or with the commissioner" or whatever the title of the head of the government of Yukon Territory may be. I suggest that some amendment to that effect be worked out.

Mr. BOYS: I absolutely agree with the minister.

Mr. BURY: If that is done the definition of the word province will have to be cut out, because the definition of province includes the Yukon Territory. Then it is proposed in section 3 to say "The Lieutenant Governor in Council of any province" which, by the definition, already includes the Yukon Territory, but by this proposed amendment you say it does not include the Yukon Territory.

Mr. KING (Kootenay): It might be made to read "make an agreement with any province," and the word province includes the Yukon Territory.

Mr. BOYS: That would be a good deal better.

Mr. McQUARRIE: It seems to me, Mr. Chairman, that the government is dropping into a very slovenly and careless practice in regard to these bills. Surely there is some

properly qualified official of the government to whom bills should be submitted before they come before this House. We had a bad example in the last bill, and now we have another. This bill is impossible in its present state, as anyone with a knowledge of bills can see. It seems to me that the government should submit this bill for redraughting to someone who knows something about that work.

Mr. CLARK: The Minister of Labour (Mr. Elliott) has suggested the substitution of the words "gold commissioner" for "Lieutenant Governor in Council." Would the gold commissioner have power to make an agreement, on behalf of the Yukon, to pay one-half of the moneys required for the carrying out of this act?

Mr. HEAPS: Mr. Chairman, we are dealing now with section 2, I suppose; why not strike out subsection (d) of section 2? We could then go ahead with section 3.

Mr. STEVENS: Why not make that motion?

Mr. GARLAND (Bow River): While the minister is considering the point in question, I would like to ask who undertook the drafting of this bill.

Mr. KING (Kootenay): Colonel Biggar is the gentleman who draughted the act.

Mr. McQUARRIE: He had better try again.

Mr. KING (Kootenay): He is a very good draughtsman.

Mr. McQUARRIE: Who tinkered with it afterwards?

Mr. KING (Kootenay): There was no tinkering afterwards, it is being tinkered with now.

Mr. BOYS: It is evident that the Minister of Public Works, the Minister of Labour, and the Solicitor General, who would naturally speak with authority, all agree that this bill will not do as it is now.

Mr. KING (Kootenay): It is not clear.

Mr. BOYS: Some of these criticisms seem to be well founded. I know if I have to have my anatomy attended to I do not go to a farmer or a lawyer; I go to a doctor, who should know all about it. It does seem to me when it comes to a matter of this kind a lawyer perhaps should be given the opportunity of expressing his views. That is what we are trying to do. If this is to be considered at any length, would not time be saved by calling it six o'clock and the minister getting his legal officials to redraught this clause for submission at eight o'clock?

Mr. GARLAND (Bow River): Would it not be better to go through the other clauses first? We may find some other clauses that need redrafting.

Mr. KING (Kootenay): I did not know that this bill would be taken up this afternoon or I would have had Colonel Biggar here. I would prefer to let this section stand for the present and go on with the bill.

Section 2 stands.

Section 3 stands.

On section 4—Term of agreements.

Mr. CLARK: The minister has said that we can go on and consider the agreement, but sections 2 and 3 lay the whole foundation for the act, and we cannot very well consider section 4, which deals with the agreement, when sections 2 and 3 stand.

Mr. KING (Kootenay): In all probability the sections will require amending. We are only asking for time in order that the amendment may be drawn properly. There is no reason why, with that understanding, we cannot go on with the other sections.

Mr. CLARK: You cannot go on with section 4 until you settle sections 2 and 3.

Mr. CANNON: That is frequently done. We often postpone consideration of the preamble of a bill.

Mr. STEVENS: That is always done, but that is a different matter.

Mr. BOYS: Section 4 provides that the agreement made pursuant to the preceding sections shall continue in force, and so on, and my point is that you cannot very well consider that section until you have settled the main principle of the act. But if the minister insists upon going on with section 4—

Mr. KING (Kootenay): We will let it stand.

Section 4 stands.

On section 5—Approval of administration scheme necessary.

Mr. STEVENS: This is the clause I spoke of last night, and I again desire to bring it to the attention of the committee and of the government. I will pass over the objection which has been raised by my colleague from Vancouver-Burrard, and which applies equally to this clause. Clause 5 reads:

Before any agreement made pursuant to this act comes into operation the Governor in Council shall approve the scheme for the administration of pensions

proposed to be adopted by the province, and no change in such scheme shall be made by the province without the consent of the Governor in Council.

I really want to impress on the government once again what to my mind is the hopelessness of this bill with the existence of that clause. Let me try to illustrate my point. We will assume that upon the passing of this legislation one of the provinces, British Columbia, if you like, at its session next year passes legislation formulated in harmony with the wish of this government, and that legislation receives the approval of this government. It becomes law, and British Columbia receives the benefit of this act. Then the government of Alberta, which made some very advanced suggestions in its letter to the committee last year, says: We want to come in too, but our legislation must be contributory. The legislation in British Columbia, we will suppose, provided for a non-contributory scheme, and then Alberta passes an act which is contributory. Is the Governor in Council going to approve of that second act, approve of a contributory scheme in one province and of a non-contributory scheme in another? I have merely to state the case, I think, to show how hopeless it is to have this legislation made applicable throughout the Dominion without a previous conference and understanding with the provinces on the general principles of the legislation that will be passed by the provinces. I want to be acquitted now of obstructing or opposing the principle of old age pensions, but I cannot allow this to pass without most emphatically protesting against proceeding in this way, and impressing upon the committee and upon the government the hopelessness of the legislation as at present draughted in the absence of an agreement with the provinces after conference.

Mr. HEAPS: I do not think there could be a stronger argument in favour of this clause than the one that has just been made by the hon. member for Vancouver Centre. It is because of the very possibility he has stated that this clause is in the act. He suggests that British Columbia may have a non-contributory scheme and Alberta a contributory scheme. It is just because of that, that we have this clause in the act to get uniform legislation throughout the Dominion. If you are going to have half a dozen provinces each with a different act, the thing will be unworkable as between province and province

Mr. STEVENS: That is what I have been trying to tell my hon friend.

[Mr. Stevens.]

Mr. HEAPS: And it is for that very reason that this clause is in the act, so as to get uniformity. If each province were allowed to choose its own act, I do not suppose there would be two acts alike. Suppose, to carry the argument of my hon. friend a little further, the province of Alberta decided to make certain exceptions in the act; suppose that instead of $20 a month they granted $15, and that British Columbia decided to make it $25. Right away you would have two different acts, one province providing for a pension of $25, and the other for a pension of $15 a month. Then one province might make the pension payable at 70 years of age, and another at 75. Unless you have some central authority with some form of control over the acts passed by the different provinces, the result will be a condition of chaos. This is one of the most important clauses of the bill, and the argument that has just been made by the hon. member for Vancouver Centre is one of the strongest arguments that could be made in its favour.

Mr. STEVENS: There would be much in what my hon. friend says if he was correct in this point. He uses the words: The provinces should not be allowed to do so and so. This parliament has nothing to do with the allowing or disallowing of a province's course. My point, which my hon. friend has utterly failed to appreciate, is this: The provinces are sovereign within their own jurisdiction in passing whatever legislation they desire, and we cannot impose our will on any province What is more, no province will allow us to impose our will on them, and that is why this legislation is going to fail. Suppose an agitation grows in some province for an old age pension. All the government of that province has to do is to say, yes, we will give you legislation, and then pass legislation that would be inconsistent perhaps with this act or inconsistent with the act of some other province.

Mr. KING (Kootenay): Then they would not get the benefit of this act.

Mr. STEVENS: Certainly, that is the very point. Immediately they escape the responsibility of providing effective legislation. I again emphasize—I may be unhappy in making myself clear, but certainly it is clear in my own mind—that to pass this legislation before bringing the provinces together and getting them into agreement on a uniform act, is simply passing an act that will be abortive and useless.

Mr. KING (Kootenay): I do not agree with my hon. friend at all. Undoubtedly

throughout this country there is the necessity and the need for an old age pension.

Mr. STEVENS: We are not disputing that.

Mr. KING (Kootenay): May I remind my hon. friend that there has been an expression of opinion in favour of this legislation from all groups in the House. It must be remembered that at the present time those persons who have attained the age of seventy years and are unable to earn a living are being taken care of by the provincial governments and by the municipalities. The Dominion government, realizing the importance of having some uniform scheme that will provide for these people, have seen fit to introduce legislation under which the Dominion treasury will share in the cost of caring for these people to the extent of fifty per cent. If any province should say that it does not care for the legislation there is no obligation on its part to adopt it; it may stay out. But the adoption of uniform legislation throughout the Dominion in regard to this matter through the instrumentality of the federal government will do a great deal to solve this question in a proper and fitting manner, and many advantages will result from it. Unless I am mistaken it will be found that all the provinces will take up the scheme, and in that event there is no doubt that uniform legislation will go into effect throughout the Dominion. We know that in regard to other matters demands have come from various public bodies for uniform legislation. Here we have a bill in regard to old age pensions which is likely to bring about uniformity. It is quite true that the provinces cannot be forced into enacting legislation, but no one is trying to do that in connection with this matter. All we are doing here is passing an act which will be very advantageous to the people of Canada if it is adopted generally.

Mr. McQUARRIE: With respect to the remarks of my hon. friend (Mr. Heaps) what objection could there be to any of the provinces making a larger contribution towards old age pensions than is provided for in this bill if they so desire? For example, British Columbia might consider that the allowance should be larger. There would be some argument in favour of that, because $20 a month will not even meet the cost of keeping an old person in one of the provincial old people's homes.

Mr. WOODSWORTH: Is there anything in the bill to prevent the amount being increased? There must be a certain minimum, but I do not think there is any provision against increasing the grant.

Mr. McQUARRIE: Yes, but the minister says he wants to have uniformity, in which case we must have the same allowance in every province.

Mr. HEENAN: It is quite true that the section we are discussing provides that no change be made in the scheme by a province without the consent of the Governor in Council. The bill is based on the understanding that the Dominion government will contribute $10 out of the $20 that goes to each pensioner, but I think the idea is that this amount shall be the minimum. There is nothing to prevent any provincial government, as I read the bill, from increasing the amount of its grant by $5 or $10. I hope some of the provinces will do so. The federal government would hardly raise any opposition to their taking that course.

Mr. KING (Kootenay): Should any province desire to increase its contribution I do not think there is any question about the Dominion government agreeing to it.

Mr. McQUARRIE: Then what the minister meant was a uniform minimum contribution? May I ask the minister what provinces have intimated that they agree with this legislation?

Mr. KING (Kootenay): As a matter of fact section 9 of the bill fixes $240 as the maximum. I do not think the question of the provinces contributing a larger amount has been considered. At any rate it is not dealt with in this legislation. At present we are engaged in drafting a bill which we hope will be acceptable to the provinces, and the question as to what should be done in the event of the provinces wanting to increase their contribution may properly be a subject of future discussion.

Mr. McQUARRIE: The minister did not answer my question; perhaps he did not hear it. I asked how many of the provinces have intimated that they will contribute towards this scheme.

Mr. KING (Kootenay): I suggest that we would make better progress if we confined our discussion to the clause under consideration. I do not know whether my hon. friend was present yesterday, but the subject of the correspondence which had taken place with the various provincial governments came up and was fully discussed. If my hon. friend wants information on that subject he will find it in the report of the parliamentary committee. If he has not a copy at hand I will send one over to him.

Mr. BURY: On this section I wish to reiterate the position I took when the reso-

lution on which this bill is founded was under discussion. This section shows quite clearly that it is foolish to try to force this bill through until an attempt has been made to get uniformity of action on the part of the provinces. We are all agreed as to the necessity of an old age pension scheme; any argument on that is merely wasting time. We are all agreed as to the necessity of uniformity of legislation, and any argument on that also is wasting time. It is entirely a question of how best to attain uniformity. I wish again to state my view that you will never get uniformity until you have got the provinces together and found out how far they are prepared to go. The very question of contribution or non-contribution lies at the whole root of the possibility of uniformity. The first thing the government ought to do is to call a conference of provincial representatives and ascertain whether they are willing to come in on the one scheme or the other, on a contributory scheme or on a non-contributory scheme. Let that be settled first. Until we get this expression of uniformity from the provinces we do not know where we are. Yesterday when this matter was being discussed, the Prime Minister said the reason why he wished this bill to go through was, that he might have something to submit to the premiers of the different provinces. Unless you have a concrete set of proposals to submit to the provinces when you call them together, it will be almost impossible to get anywhere. There is no reason in the world why the Prime Minister should not draft his scheme as he conceives it should be, submit a bill—this bill, if you like, as it now stands—to the representatives of the provinces, get them to discuss it, and as soon as they have discussed it come back to parliament and submit to parliament the bill as agreed on by the provinces. I say again that by adopting the present method you are inviting the provinces to make the retort that they should have been consulted in the first instance.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 13, respecting a patent owned by The John E. Russell Company.—Mr. Spence (Parkdale).

[Mr. Bury.]

Bill No. 19, to incorporate The Agents Insurance Company.—Mr. Malcolm.

Bill No. 20, respecting The Pacific Coast Fire Insurance Company.—Mr. Clark.

OLD AGE PENSIONS

The House resumed consideration in committee of Bill No. 21, respecting old age pensions,—Hon. Mr. King (Kootenay)—Mr. Duff in the chair.

The CHAIRMAN: When the committee rose shortly before six o'clock, section 5 was under consideration. Shall the section carry?

Mr. STEVENS: The committee had discussed the section at some length, and I gathered that the minister hoped later on to enlighten us further on the question it involved. Is he in a position now to answer some of the questions brought to his attention?

Mr. KING (Kootenay): I cannot agree with hon. gentlemen opposite who think that this legislation will be ineffective and will fail to make for uniformity. I believe that uniform legislation throughout Canada will follow the enactment of this bill.

Mr. MARCIL: I have not before spoken on the principle of the bill, having taken it for granted from the very outset that inasmuch as advanced legislation in the matter of old age pensions had been adopted in all of the leading countries in the world a similar measure if introduced in this parliament would meet with general approval. Some question has been raised by certain remarks made by the Premier of Quebec, but I am of the opinion that, when this bill goes through, not only the premier of that province but the legislature and the people of Quebec generally will be prepared to give it full consideration.

Considerable emphasis has been laid on the suggestion that this legislation is likely to be of most value in the cities in assisting the working classes. I dissent from that opinion; I think the provisions of the bill will be most beneficial in the outlying districts. In the province of Quebec we have large institutions in the cities to take care of the aged, while there are no such places in the outlying parts of the country, and it is in these places that this old age pension scheme will be most appreciated. I am satisfied that the bill when it passes will receive the careful consideration as well as the support of the province of Quebec, and for that reason among others I am glad that the government is persisting in putting it through the House.

Mr. ARTHURS: In this matter, as in several others which this government has

undertaken, I believe we are beginning wrong. The government should have approached the various provinces and ascertained their views before introducing the legislation we are now considering, for it is manifest that the bill can be of no value unless advantage is taken of it in the provinces. For that reason the opinions of the various premiers should have been consulted. The hon. member (Mr. Marcil) believes that in the province of Quebec legislation of this kind would be most effective in rural communities. In Ontario, I may tell him, we have in a great majority of the counties homes for aged people kept at the expense of the province, and these homes, I fancy, will be more or less affected by this legislation. I think the legislation should have been preceded by a conference of the government with the provinces.

Mr. FISH: The object of this bill is dear to my heart, as it has always been, but the scheme in its details does not approach my ideal of an old age pensions law. In the older parts of Canada the provinces have always provided very well for those who are unable to support themselves. In my own province there is an estimable system of caring for the aged, and for the young as well when these are unable to take care of themselves. We have county homes there. Formerly they were called poor houses and the people who lived in them were known to the public as paupers. Happily the condition suggested by these names no longer exists; we are more enlightened to-day and we have very good institutions which are described by the less disagreeable name of county homes. The inmates are well treated and have a home where everything is provided for them. They are not obliged to work, but they can enjoy themselves at gardening and so forth, and the product of their labour is always at their disposal. While that may not be the intention of this bill, it is not to my mind doing very much better. Twenty dollars a month will not go very far in providing for an aged couple, for I gather that only the husband would be entitled to a pension. I may be wrong, I hope I am, but if only twenty dollars a month is available, how far will that provide the necessaries of decent living for a couple both over seventy years of age? In the institutions in my province with which I am acquainted it costs $5 to $5.50 a week to provide for each inmate, and this does not take into account anything for rent or shelter. That is one fault I have to find with the bill—the pension is insufficient.

A still greater defect in my opinion is that we are seeking to impose on the provinces something without knowing whether or not they are in favour of it. In fact, it seems to me to be an attempt to interfere with provincial rights. Above all else, it is of vital importance to cultivate a spirit of harmony in the relations between the federal government and the various provincial governments. If the bill was based on the mortuary tables and the contributory principle adopted to the extent of a half or a quarter of the amount of the pension, the government providing the balance, then I think we would have a scheme that the people would be proud of, and no one availing himself of its provisions would feel that he was being spoon-fed. The government might establish such a scheme on a fair basis by a vote of one or two hundred thousand dollars, or more if necessary. I would make the terms very lenient to those who might fall behind with their payments so that it would be possible for them to clear off their arrears as opportunity offered. But before we can be assured of any success with this bill we will have to secure the co-operation of the provincial governments. I have no authority officially to say so, but it seems to me—and my impressions, of course are gathered from the daily press—that it is not reasonable to suppose that the government of my province will be prepared to undertake new liabilities at the present time. Our province is just recovering from a splurge of bad government, so bad, indeed, that we are obliged to resort to direct taxation, something we never imagined would ever be necessary. I hope the federal government will hold their hand until such time as they have secured the co-operation of the provincial governments in this proposal.

Mr. BROWN: Mr. Chairman, it is very gratifying to those who are interested in the welfare of humanity to find such splendid sentiments expressed here in regard to this bill It does seem to me, however, that there is a tendency to say to our less fortunate brothers, be warmed and fed, and yet not give them those things which are needed. In a scheme that has to be worked out by the Dominion in conjunction with the provinces, necessarily some difficulties are involved in making a start. Now, if we held a conference with the provinces we would probably find a great deal of difficulty in getting unanimity of opinion among them, and no start would be made. Here are two parties to the contract, the Dominion on the one hand and a group of provinces on the other. One party or the other has to make a start, and in my judgment the quickest way to secure unanimity of opinion in the matter is to pass this bill.

I do not think any province would fail to pass the necessary implementing legislation if this House clearly put itself on record as being in favour of the principle of the bill, and instead of merely giving utterance to a lot of pious wishes, translated those wishes into something concrete. I repeat, I am firmly convinced that the quickest way to secure action is for parliament to pass this bill.

Now, a good deal has been said somewhat wide of the mark respecting the relative merits of a contributory or a non-contributory scheme. I am heartily in sympathy with any move calculated to encourage thrift among our people, and I should like to see the provisions made for annuities brought more forcibly to their attention; but it seems to me that we will have simply to follow the course that has been followed in other countries. In England the pension scheme began in a non-contributory form. In my judgment it is the only way it can be introduced, and I fully anticipate that if this non-contributory scheme is launched, within a very short time we will find ourselves entering upon a contributory scheme. That is the natural evolution of any pension legislation; I do not see how it can be otherwise. We cannot take care of the immediate necessities by any contributory scheme that can be mentioned, but in course of time that can be built up, and in the meantime we will have a measure such as is now proposed that will be taking care of the immediate requirements of our aged poor. So I do not think we need be alarmed because some person points to England and says: They began in such-and-such a way, and they were compelled to do so-and-so at a later day. It seems to me that that is only what we may expect. Mr. Chairman, I feel thoroughly convinced that if we are to get action at all the only way is for that body which can act as a unit to put its concrete proposal before the provinces.

Mr. McQUARRIE: The hon. member for Lisgar (Mr. Brown) is rather inconsistent, for in one breath he says we want something positive, and in the next he says we should put through this bill. There is nothing positive about this bill; on the contrary, it is very uncertain indeed and depends upon receiving the approval of the provincial legislatures. I submit that if there is a responsibility upon this House to do something positive, we should pass a bill to establish old age pensions. If we want to do that, but think the total obligation involved is too much for the country to shoulder at the present time, although it is very prosperous according to the statement of the Minister of Finance, then we might divide it up. We admit our responsibility of $10 a month; we are prepared to give that amount provided the provinces do likewise, but if the provinces do not contribute the old people will not receive anything at all. If we admit our responsibility for $10 a month should we not put through a positive bill and provide for the payment of at least that amount to the aged in any event? I submit that that should be taken into consideration, as well as the further question whether or not this parliament should undertake the whole responsibility of $20 a month.

Mr. McGIBBON: Mr. Chairman, I just want to say a word about this bill.

Mr. HEAPS: On a point of order, Mr. Chairman; are we not considering clause 5 of the bill.

The CHAIRMAN: Yes.

Mr. HEAPS: Should we not confine ourselves to the actual clause under consideration, instead of going all through the bill?

The CHAIRMAN: I do not want to compel hon. members to speak exactly to the clause; they should keep as close to it as possible. I notice that those who have spoken have always come back to the question of the provinces contributing, so I will not ask the hon. member to stay too closely to the clause under discussion.

Mr. McGIBBON: I had not started when the hon. member for North Winnipeg (Mr. Heaps) presumed to take the lead of this House. In opening, I would like to put myself on record as being in favour of civilized countries looking after their aged poor, but I want to bring to the attention of the committee one or two points in connection with this matter. We are a young country; we have to-day resources greater than many other countries; we have the largest amount of agricultural land per capita; we have the greatest mines, the greatest forests, the greatest natural resources—and we have a population of about nine million people. Are we prepared at present to put everyone on the pay roll of the country? It seems to me that we are getting the habit in this parliament of going—I was going to say "mad"—in the way of legislation.

An hon. MEMBER: We have not passed any as yet.

Mr. McGIBBON: We have not passed any, but we have a certain clique, of which the hon. member is one, which desires to fasten every responsibility, whether municipal or

provincial, on the Dominion treasury. This government should either have enough courage to say, "We are going to have an old age pension scheme, and we will take the responsibility of putting through the legislation and of bearing the financial burden," or else this bill should not have been introduced at all.

What is going to be the result? The government are trying to fasten this responsibility upon the provinces, without having consulted them. Presuming that this bill passes, what will be the result if the provinces do not agree to it? Supposing a province does agree for a few years and then, after getting a number of people on the pension list, sees fit to withdraw from the scheme; where is the responsibility to rest? What is this government going to do? I asked the Prime Minister last night if he was willing to take the responsibility of establishing a scheme of old age pensions, with the Dominion, bearing the financial responsibility, and he said no. Is this a scheme to assist the establishment of old age pensions or is it not? The Prime Minister has not as yet answered that question, a question which should be answered before proceeding with this legislation.

The hon. member for Fort William (Mr. Manion) read last night the answers received from every province, and without a single exception they did not agree to this legislation. I would like to ask the minister what he is going to do if the provinces continue to disagree. What then will be the object of this legislation?

Mr. ARTHURS: To secure the votes of a couple of members.

Mr. McGIBBON: I quite agree; it is a political scheme to get votes in this parliament, and nothing else. I ask the Prime Minister again whether he, as the head of this government, is willing to take the responsibility of introducing an old age pension scheme into this parliament and of bearing the financial responsibility for such a scheme. I ask the question, and pause for a reply.

Mr. MACKENZIE KING: It has been done already, in this present bill.

Mr. McGIBBON: The Prime Minister says it is done already . I wish he would explain how he is taking the sole responsibility of the financial obligations under this bill. Will he now explain?

The CHAIRMAN: Shall the clause carry?

Mr. McGIBBON: I asked the Prime Minister a question.

Mr. MACKENZIE KING: I have answered the question.

Mr. ARTHURS: At the risk of being tedious I again call the attention of the government to the fact enunciated by the hon. member for Fort William, namely, that none of the provinces have agreed to this legislation. I further call the attention of the Minister of Public Works, under whose direction this bill is introduced, to the fact that in many of the provinces, particularly in Ontario, we already have a scheme for the care of the aged. Apparently no effort has been made by this government to ascertain the opinion of Ontario, or that of any other province which has a similar scheme; or if any such attempt has been made the reply has not been in favour of the principle of this bill. As pointed out by the hon. member for Muskoka, even if a province did accept the principle of this bill for a time but withdrew from it later, the Dominion government would be in a quandary. I think we are perfectly right in stating that our position should be either yes or no. Are we in favour of old age pensions or are we not?

Mr. HEAPS: We are.

Mr. ARTHURS: The hon. member for North Winnipeg says we are; then we should assume the whole responsibility and the Dominion of Canada should be responsible for the entire financial burden. Why divide it up in this way; why pass a bill of this kind when we know that most of the provinces will not assent to it as it is now before parliament?

Mr. KING (Kootenay): We do not know that; the hon. member is guessing.

Mr. ARTHURS: We know it by inference; the provinces have not accepted the principle so far, and the probability is that they will not accept it. Even if it is accepted, there is nothing which would compel them to continue in that acceptance. We are starting at the wrong end, as I said before. Let the government say, "We are prepared to put through a measure of old age pensions," or "We are trying to shove the responsibility on someone else."

Mr. HEENAN: It would be a mistake to shut off debate on this bill, because as the debate goes on members are appreciating more and more the importance of old age pensions, and we see that if in the future we have to introduce a scheme of this kind under which the Dominion government must take full responsibility, we will receive support from those whom we thought, at the

beginning of the debate, were against such a measure. At the beginning of this debate I recall that there were some members on the other side of the House who took the position that the country could not stand this expenditure, but now they contend that we are not spending enough, and that we ought to give another twelve million dollars towards old age pensions. So I think the longer we discuss this subject the better we shall get along.

It seems to me, Mr. Chairman, that if we are really sincere in trying to put an old age pension bill through, instead of arousing antagonism on the part of the provinces by speeches here to the effect that we are attempting to force something on them, if this bill is satisfactory in other respects—as to the amount of pension payable, and the conditions upon which it shall be granted—we ought to get together and pass it and leave it to the provinces either to accept or reject it. The provincial governments are composed of men of sound business ability, men who wish to do the right thing by their province, although I find that even the Premier of Ontario has been trying to make a little political capital in connection with this matter. Not so very long ago he was asked on the floor of the Ontario legislature if he was considering an old age pension scheme for Ontario, and he said yes: that is, Ontario was considering an old age pension scheme for that province. But after there had been a certain amount of debate on this scheme in this House and the Premier of Ontario saw that some members on the Conservative side were opposed to it, he made the statement to the effect that the old age pension for Ontario, if it was to be given in co-operation with the Dominion government according to the terms of this bill, would be too expensive. In other words, he was considering an old age pension plan for Ontario whereby Ontario would have borne the whole cost of an old age pension for that province; yet when the Dominion government proposed to pay fifty per cent of the cost, he said that this scheme would be too expensive.

I noticed in the Free Press the other day a quotation from the Vancouver Province, and the Free Press went on to say that here was the Dominion government introducing a bill that was nothing more than a sop.

An hon. MEMBER: Hear, hear.

Mr. HEENAN: Sometimes I think hon. gentlemen who say, "hear, hear," are really not there, there, or they would not say "hear, hear." The paper went on to say that in Great Britain they had a much better bill. In one breath they said that this scheme before us would cost too much money, and in the next breath that the British scheme cost very much more and was ever so much better. They pointed out that in Australia the pension began at sixty-five years of age, instead of seventy as proposed here, and that Australia paid $26 per month as compared with our $20. So in one breath they said that we were spending too much money, and in the next breath that our scheme would not bear comparison with the schemes of other countries which were paying much more.

I think, Mr. Chairman, that a great many members misunderstand this bill. The hon. member for St. Lawrence-St. George said the other evening that the bill assumes that every man reaching the age of seventy was incapacitated for further employment or earning power. The bill does not assume anything of the sort. My friend who sat down a few moments ago asked if we were going to put everybody on the pay roll of the state in this country when they reached the age of seventy. The bill does not assume anything of the sort. It simply provides that anyone who cannot earn $365 a year at the age of seventy will be taken care of to the extent of $240 a year. I agree with the hon. member for St. Lawrence-St. George that there are a great many men in this country who will be earning much more than that at seventy years of age.

The hon. member for Fort William last night, in his anxiety to make a little political capital out of this question, misquoted me. He said I had stated the other evening that the Conservatives had always been opposed to legislation of this kind. I had never made any such statement. The statement I made was this, that the Conservatives on the platform, especially around election time, had taken the position that they were foremost in all social legislation of this character, and I said that if that was correct I would like them on the floor of the House to act as they talked on the political platform. But in his anxiety to make a little political capital, the hon. member even gave the Conservatives in the Ontario legislature the credit for having introduced the mothers' allowance in Ontario. That legislation was not introduced by the Conservatives. A colleague sitting beside the hon. member corrected him and said that the Conservative party had got the legislation all ready, but that their successors in office put it into effect. I was a member of the Ontario legislature at that time, Mr. Chairman, and I remember well the same argument was made then as has been made in con-

nection with this scheme, that the mothers' allowance was only a sop to the Labour men in order to induce them to support the Farmers in forming a government. In 1919 Sir Wiliam Hearst stated on the platform that if returned to power he would put into operation a mothers' allowance scheme. We were all satisfied with that, but when the Drury government actually put the scheme into effect, it was said that it was only a sop to the Labour men so that they would help the Farmers to form a government, but when they found that the mothers' allowance scheme was taking care of 5,000 mothers and 12,000 children and had become popular, they said it was a good thing, and that if they had been in power they would have put it into operation anyway. Surely, Mr. Chairman, there is some legislation that we can put through our parliaments without partisan strife. I am glad to see that so many Conservatives are supporting this measure, as I knew they would. I would like to see a lot of this political talk cut out.

Mr. ARTHURS: If the Ontario government, justly as the hon. member claims, and as I believe, put into force the mothers' allowance, why should they not take care of their aged in the same way? Or if the Dominion government is disposed to pay fifty per cent towards the cost of this pension for those of our population who are not able to sustain themselves after seventy, why should not the Dominion government also pay fifty per cent towards the cost of the mothers' allowance?

Mr. HEENAN: I am glad my hon. friend has asked that question, because I was coming to that. But let us look at this thing in a practical way, and not have any hypothetical questions or indulge in imaginations regarding it. Let us see how it will work out in practice. The provinces are now responsible for the maintenance of their aged people who are not able to take care of themselves,and how do they look after them? By putting them in houses of refuge or poorhouses, where in many cases an old couple will be separated from each other. Is that the proper way to look after our old people?

Mr. McGIBBON: They do not do it that way.

Mr. HEENAN: There are some people who do not know everything in this world, and I am speaking to one of them now. The Labour men of this country have been to the provincial government as well as to the federal government asking that an old age pension scheme be put into effect, and some of the provinces have said that it would be too great a burden upon them and they could not do it, that it was the Dominion's duty. In other words, we have been passing the buck for a great many years on this question. In former days when the Dominion government or the provincial government were asked to shoulder the responsibility for such legislation none of them wanted to do it.

Mr. ARTHURS: And this government does not want to do it now.

Mr. HEENAN: You do not know; you only think that. Now, the present Dominion government say this to the provinces: We know you have a burden on your shoulders at the present time in caring for these people. In order to bring about an old age pension we are going to lay down certain conditions and if you accept those conditions it will be possible for us to do something. I think the conditions laid down are fair because they have been investigated and recommended by a committee of this House, a committee composed of representatives of all parties. I am quite sure that the members of the provincial legislatures are just as reasonable as the members of this House, and they will be prepared to do what is right. The Labour people have discussed this matter and have made certain recommendations. The present bill, I think, carries out the recommendations of the parliamentary committee, almost to the letter. Very well; the Dominion government said to the provinces: We will provide machinery and we will contribute fifty per cent of the amount needed in order to help you to maintain aged people. As to the amount of pension, if an amendment were moved to increase the amount from $240 to $300 I would be willing to support something along that line, but if this House agrees upon the amount mentioned as reasonable, why not let us get together and put the law into effect? Instead of trying to suggest what the Senate may do with the bill, or to antagonize the provinces or to see who can get the most political prestige out of it, why not let us get together, make the very best arrangements we can, and then say "This is the very best we can give for the present and encourage the provinces to take advantage of it."

Mr. ARTHURS: Why does the hon. member say "this is the best we can give"? In saying that does he speak for the Minister of Labour, or for himself?

Mr. HEENAN: I was speaking of all of us as members of the House, including my hon. friend.

Mr. YOUNG (Saskatoon): It was not my intention to take part in this discussion, but the remarks of the hon. member for Muskoka (Mr. McGibbon) tempted me to get on my feet for a few moments. I heartily approve of the principle of this bill, and I think this measure is long overdue. Those of us who have had the opportunity on many occasions to meet old people in our professional work must surely recognize the fact that there are many cases of parents who have given sons and daughters in great number to this country but who, through some misfortune have found themselves in the latter years of their lives dependent upon charity. I am quite sure that my hon. friend (Mr. McGibbon) as well as the other medical men in this House, have met cases of that kind. That being so, why should any medical man oppose a bill which will bring relief and comfort to aged men and women who deserve so well of their country?

Mr. McGIBBON: Does the hon. member think for a moment that any man is going to get relief from this bill? I am opposing it because I know they will not.

Mr. YOUNG (Saskatoon): My hon. friend made an observation towards the close of his speech to the effect that this legislation was intended for political effect. That is what I take great exception to. I invite hon. gentlemen opposite to join for once the rest of the members of this House in putting through one bill of a humanitarian character. Let us unite in such a good work and if any political advantage is to be gained at all, let us all share in it.

Mr. McGIBBON: May I ask my hon. friend another question?

Mr. YOUNG (Saskatoon): Certainly.

Mr. McGIBBON: I ask him as a gentleman, and I know he is one, to be accurate when he quotes me. I made no such statement.

Mr. YOUNG (Saskatoon): Well, if the hon. gentleman did not mention "the political effect" of this bill, my ears deceived me. Certainly he said a moment ago that he does not think any man will get relief from the bill. I quite agree with the hon. member for Lisgar (Mr. Brown) that if we pass this bill and make a certain amount of money available for the desired purpose there will not be one province in Canada that will not take advantage of it. It will only be a very short time until all the provinces will be availing themselves of this legislation and then the aged people who come under its provisions will be getting some help in their declining years. It is a lamentable thing to see old men and women in receipt of charity. If this bill passes they will not be in receipt of charity; no such stigma will be attached to the enjoyment of the pension granted under this bill. If we pass this measure we shall all have occasion to feel proud of ourselves; for by the enactment of a bill based on such humanitarian principles this parliament will have done something greatly to its credit.

Mr. STEVENS: Mr. Chairman, I was just going to call your attention to this fact: We have been waiting for an approach to a consideration of some of the sections of the bill because we have certain suggestions to make. My hon. friend opposite, and particularly the last two speakers, while professing to talk on the principle of the bill, have been introducing some rather sharp criticisms of our position. We certainly have suggestions to make with respect to this bill and we propose to make them; but I submit that the best way for the government to make progress with the measure is to ask their own supporters to keep within the bounds of specific clauses so that whatever discussion takes place may have some point and some effect. I am giving notice to the government now that with respect to some of the clauses we are approaching I have suggestions to make which I hope will be constructive and useful; but if we go on with a general, desultory discussion of this character for two or three hours it will not assist us to rush through all the sections without discussion at all. We may as well approach the real matter of these sections as carry on a discussion of the kind which has taken place for the last three-quarters of an hour. I make these statements as I do not wish to be charged later on in the evening with obstructing the bill.

Mr. MEIGHEN: I do not know whether the draughting of this bill is very important or not. It may be, but I question whether it is worth a very detailed examination. I do not apprehend that the bill is going to come into effect until we will have had a lot more opportunity to review it. But if it is, I must say that to me it is a masterpiece of draughting. Take this section, for example. The criticism I have to make here is not as serious as I think can be made with respect to some other features of the bill. The main feature of the bill from this point of view is that it is principally an authority to pass an act. It is not an act. If hon. gentlemen will look at section 19—

Mr. KING (Kootenay): We have not reached that section yet.

Mr. MEIGHEN: But in order to speak of the draughting I have to mention it. Look at the length of that section and the authority it gives to the Governor in Council as to regulations. The bill is going to be drafted under that section, some time, somewhere, by someone. The whole alphabet, or almost the whole alphabet, was exhausted in the mere enumeration of the sections which the Governor in Council uses for the purposes of draughting the bill, and the matters referred to there are the very sum and substance, the very life and fibre, of the whole thing. Nobody knows what in the world this bill is going to be. I suppose the government knows as little as anybody else, but it is going to be draughted under clause 19, if it is ever draughted at all. Section 5 says:

> Before any agreement made pursuant to this act comes into operation the Governor in Council shall approve the scheme for the administration of pensions proposed to be adopted by the province, and no change in such scheme shall be made by the province without the consent of the Governor in Council.

In draughtsmanship, what is a "scheme" and especially a scheme for the administration of an act? I understand the purpose of the draughtsman is to make the provincial act subject to the approval of the Governor in Council. If that is the purpose it should say so, and not say "the scheme for the administration of pensions proposed to be adopted by the province." Who is going to tell what part of the act is included in this scheme for the administration of pensions? Is the provincial authority to decide, or is it the federal authority? I have an idea what the draughtsman wants to say, but he has not said it. In the next clause the same word comes in. I have never seen before in the phraseology of any statute a "scheme" to provide for the organization. It seems to me to be far simpler and better to say the provincial act shall be subject to the approval of the Governor in Council.

Hon. members have said—and I was almost moved to tears by the eloquence of the hon. member for Saskatoon (Mr. Young) on this subject—that the great object of this movement is to relieve the aged and the distressed, to remove them from the shadow of the poorhouse, and to take care of them in their old age in a manner consistent with their dignity and in a way which comports with what old age really demands. I cannot see how anybody is going to come out of the poorhouse under this bill, if it ever goes into effect. Who can come out of the poorhouse on $240 a year? If I were arguing that we ought to set to work to get everybody out of the poorhouse, I would say we should have a bill that would do it. This bill will not do it. I am not arguing however, for that purpose; I am simply saying that those who think this is a plan to bring that about have only to read the clauses of the bill. If one looks ahead he will see that the Governor in Council is going to be able, under the regulations, to provide that the provinces pay their share to the workhouse. That is how they will do it. How else can they do it when they only pay half? There is no other way. All we are going to achieve by this bill is to help the provinces keep up the poorhouses, assuming the provinces come into the scheme. Is that an unfair statement of the result?

Mr. HEAPS: Is that the position in the other countries where old age pensions are in effect?

Mr. MEIGHEN: I do not know. This is a federation, the other countries are not a federation.

Mr. HEAPS: Australia was somewhat in the same category.

Mr. MEIGHEN: No; and anyway if we provided a larger amount—although I am not arguing for it—there would be some hope of taking the old people out of the poorhouse and putting them in their homes. But when we confine it to this proposition it is pure hypocrisy on our part to throw out the signal to the aged people of Canada that the shadow of the poorhouse is no more about them and that we are going to keep them comfortably in their homes. Can the hon. member for North Winnipeg suggest any way on earth by which an old person can live on $240 a year?

Miss MACPHAIL: If there are two old people will they not receive $40 a month? One old person would not care to live alone, and if they lived together, one perhaps as a paying guest, I think they could be taken care of on this amount.

Mr. MEIGHEN: If it was a case of man and wife they might, but I doubt if it would be possible even then; they would require to have their health and be able to look after themselves. But there is the difficulty with old age; old people cannot look after themselves, consequently it is the home that looks after them. If they have their health and are able to look after themselves, a man and his wife might live on $480 a year, but I do not know. From what I have seen of efforts to do it I would rather see them living in a comfortable home such as they have in Portage la Prairie.

Mr. YOUNG (Weyburn): Would my right hon. friend refuse to give them anything at all because he could not give them everything they want?

Mr. MEIGHEN: No, that is not the point I am making at all. There may be places where the provinces and municipalities—and those are terms we can use synonymously here, for one is under the other—might be able to take care of them in some way and keep them comfortably. If there are, I do not know where to find them. I am not denying that there may be some, but I know it would not be in Manitoba. I know something about the home there. I do not say there is not something, of course, in the nature of humiliation in going to what we call a home, but it is not a penal institution. There are hundreds of men in these places, and no person could live more comfortably than they do there, though they might live more luxuriously; but the home is open to all. I venture to say that of all the occupants of that home there are very few who are man and wife. There might be some, but I never ran across such a case; they are nearly all old single people, old brothers, or something of that sort. You cannot for the sum of $240 maintain these people elsewhere with anything like the comfort by which they are surrounded there. It may be wise for us to come to the relief of the provinces—although I do not know that we have been asked to do so—in order to elevate the standard of these places. I do not think very many members of the House would feel reluctant about endorsing such a proposition. There may be places where the standard is not as high as that with which I am acquainted in Manitoba; it is probably lower in other places. I would like to see the standard raised everywhere, and I think the provinces can well afford it. But when we are talking in this committee about getting rid of the poorhouses, as we would like to get rid of the gaols, we are only raising a hope soon to be shattered, because we cannot do it by means of this measure.

The hon. member for Lisgar says we must go through the same process as others have done who were in the field earlier than we were. There have been other countries in the field earlier than we, but hon. gentlemen must remember that great industrial countries necessarily reach this stage sooner than a country like Canada or the United States. If they learn by experience, by what process of reasoning does it follow we must commit all their errors to get the same experience? I would like to hear the argument behind that contention. It is said that you have got to start without contribution. Why? Must we start without contribution because we cannot make those over seventy years of age contribute? Is that any reason why those under seventy need not do so? None whatever. In a word, if we are ever to start the contributory principle it is never going to be as easy to do it as it is now—certainly it never will be easier. Any difficulties in our way now will certainly be in our way when we think of commencing again. It is true you cannot start with those who are called pensioners under this act, but you can make a start with prospective pensioners, and give everybody the right to come in and earn; and you may have the system graded according to age. There would be no difficulty whatever, in carrying out such a proposal. These are simply suggestions I offer touching the details of the measure. My opinion on the measure in general was offered to the House last night for whatever it was worth.

9 p.m.

Mr. HEAPS: I agree with the suggestion of the hon. member (Mr. Stevens) that we confine ourselves to the section under discussion; we are now considering section 5, which has nothing to do with a contributory scheme. That will come under another section and in my opinion consideration of it might very well be deferred.

Mr. FOSTER: Section 5 provides that before any agreement made pursuant to this legislation becomes operative the Governor General shall approve the scheme for the administration of pensions proposed to be adopted by the province. The first three words of this paragraph presuppose an agreement with a province or with provinces of the Dominion. Now, it is possible that some ideas which may occur to one in connection with this section might more properly have been stated when the resolution on which this bill was founded was under consideration, but I venture to think that the word "agreement" here will warrant the views I have to offer. At the present moment I can see no possibility of Nova Scotia entering into an agreement with the Dominion government on a fifty-fifty basis of contribution to a scheme of this kind. Even taking the sum mentioned of $240 a year and assuming the aggregate contribution to be evenly distributed over the provinces, it would call for practically one million dollars to meet the pensions required in Nova Scotia. So that if that province were forced to raise its share of $500,000 towards the provincial contribution it would mean that my own

constituency, as one of the fourteen which would be taxed in the province, would have to provide something like $35,000 in addition to what we are already paying to take care of the poor people of Nova Scotia.

I want to assure the committee that the poor of the province are being reasonably well taken care of at present. If Nova Scotia does not participate in this scheme, and if only one province in the Dominion takes advantage of the act, then we in Nova Scotia must still pay our proportionate share to provide for the poor in that one province that does come in. That certainly seems an unfair proposition, to me at any rate. The deduction from this would appear to me to be that this government should assume the entire responsibility for a pension scheme. The government ought to be willing to go far enough to make it a national undertaking, relieving the provinces and the municipalities of the work which they are at present doing, and substituting therefor a better performance on the part of the national administration of Canada. Someone may ask me why I make that suggestion. Well, the suggestion may be justified on the ground that, according to the information which has been given us, this country is at present in a prosperous condition. If it is in a prosperous condition, and if we have been able to raise twenty-five or thirty million dollars more in the way of taxation than we were able to secure the year before, then on that hypothesis alone the government, it seems to me, ought to assume full responsibility in this matter.

The people of Nova Scotia are to-day fairly well taking care of their poor, particularly in my own constituency; and I rather fancy that the major good of this bill, if it passes and if some of the provinces adopt similar legislation, will be to provide for certain poor people in industrial centres where the indigent at present are not being cared for as well as they ought to be. With the desire to take care of these people I am in perfect accord. But unless the whole country is to bear the responsibility, unless the scheme is to be made Dominion-wide and a national undertaking, I certainly do not feel that we are justified in proceeding with it on the basis of one province or more being obliged to contribute whether or not they benefit. I think I am expressing in this the views held generally by the people of my constituency.

During the last five or six years we have had to shoulder in one part of my constituency $55,000 of extra taxation as a result of maladministration in that county alone, and in Nova Scotia generally we have exhausted practically all our sources of revenue. The outgoing government left the province in debt to the extent of $1,800,000 odd and the incoming administration, despite all its economies, is still unable to balance its budget. Under these circumstances, and in view of the fact that the municipalities themselves are bearing a heavy burden already, I do not feel like supporting another measure which will require them to contribute thirty-five or forty thousand dollars to such a scheme as this. I may have something later on to say with regard to changes which it may be desirable to make in some of the other clauses of the bill, but in what I have just stated in a general way I believe I am but representing the views held by the people of my constituency.

Mr. BARBER: There is probably one point on which we all agree, and that is that something is necessary in the way of old age pension legislation. Section 5, now under discussion, is of importance. It practically declares that this shall be a non-contributory scheme, and this is the one thing upon which there will no doubt be disagreement between the provinces. For this reason, I think, it would have been wise for the government to have consulted the representatives of the several provinces before draughting and introducing this legislation. It is questionable whether this is the wisest form of legislation for a young and growing country like Canada. Is it advisable, in a young country such as this, to create by means of an act of this kind the impression that individual provision for old age is unnecessary because the government will provide it? The principle, I think, is wrong; and this is the argument which I believe some of the provinces will put forward. In my opinion it would be better to seek a method of inducing people to provide from their earnings for protection of old age. In this regard I believe clause 5 will fall down. Had the provinces been called together in conference some system might have been adopted that would work satisfactorily; and in any case such a conference should have been called. Personally I am inclined to favour the scheme suggested by the hon. member for West Calgary (Mr. Bennett) the other evening, that of adopting a scheme of old age pensions, and such a scheme instead of being separate might be made a part of the existing annuities system. Under this system a man can very easily set aside during the earning period of his life sufficient funds by small payments which at the age of seventy will provide for him an annuity equal to or much better than the pension proposed in

this legislation. I think our Annuities Act should be studied by every member of the House. I must admit that until the hon. member for West Calgary drew it to my attention I was quite ignorant of all the benefits to be derived from its operation. I believe that probably seventy-five per cent of our people are not aware of the provisions of that act. If that system of annuities was better known I think it would be taken advantage of to a far greater extent, and in that way would help to relieve the very situation we are trying to provide for under this measure.

Now, at the present time we know that from all over the Dominion there is a call from many aged people for immediate relief, and I am of opinion that the source of that relief should be the federal government by working out a scheme of old age pensions in connection with out annuity system.

Let me point out wherein I think this proposed legislation falls down. I do not wish it to be understood that I am opposing the principle of old age pensions. I should like to get together with the other members and work out some scheme that would be in the interests of those people who require relief and at the same time keep in mind the interests of the country generally. Each of the provinces is expected to co-operate in carrying out this legislation, and after it is enacted the right hon. Prime Minister has stated that it will be submitted to the provinces in order that they may take it under consideration. If any province decides to pass the necessary complementary legislation naturally some delay will follow before the legislature takes action. So my first objection is that this scheme will bring no relief for at least two years. From what I know of public opinion in the several provinces respecting this proposal—

Mr. WOODSWORTH: Mr. Chairman I do not like to interrupt the hon. gentleman, but the whole of this principle was settled last night. Do we have to reply to the arguments that are being advanced to-night at such length and which have been reiterated again and again and again? In short, Sir, I rise to a point of order. Are we not on clause 5?

Mr. BARBER: Mr. Chairman, I should like to refer to clause 5 to show that I am perfectly in order.

The CHAIRMAN: Does any hon. member desire to speak to the point of order? I do not want to make a ruling at this stage, but I think the committee will agree with the hon. member for Winnipeg North Centre (Mr. Woodsworth) that many hon. gentlemen are straying too far from the clause under discussion. I did not interrupt the hon. member for Fraser Valley (Mr. Barber) because he is a new member. I must ask him from now on to keep within the four corners of clause 5.

Mr. BARBER: Clause 5, Mr. Chairman, provides:

> Before any agreement made pursuant to this act comes into operation the governor in council shall approve the scheme for the administration of pensions proposed to be adopted by the province,—

I am referring to that part of the clause now. This is essentially a two-scheme proposal, and that is what is going to cause trouble, because I know some of the provinces are in favour of a contributory system. The clause continues:

> —and no change in such scheme shall be made by the province without the consent of the governor in council.

I do not think all the provinces will accept this proposal because they will not all agree to a non-contributory system. Therefore, as the scheme will not be general throughout the Dominion, it will be unfair to the taxpayers of those provinces not participating in it because they will be contributing towards pensions in the provinces that decide to co-operate with the federal authorities.

I came to this House, Mr. Chairman, with the full intention of supporting legislation in the nature of old age pensions, no matter where it originated, whether with one of the smaller groups or with the government. If this measure has been introduced at the demand of one of the smaller groups, I must compliment them on the influence they exert over the government, but I cannot compliment them on the scheme brought down, I feel I cannot go back to my people and say: I supported the enactment of a measure to provide old age pensions, and the whole thing is settled satisfactorily. The first question some of the old people who are looking for such relief would put to me would be: When are we going to get those pensions? I cannot tell them, and there is no man in this House can tell them when they are going to get relief under this bill.

Section 5 agreed to.

On section 6—Application of act in N.W.T.

Mr. MEIGHEN: Mr. Chairman, before we go to that section, although it does not make much difference which clause it is on, I should like to have some explanation of the phrase "scheme of administration." Who

is going to tell what clauses of the provincial act are to be immutable because they are part of the scheme of administration, and what other clauses the provincial legislature can change if desired because they are not part of the scheme of administration? Which authority decides between the two classes of clauses?

Mr. KING (Kootenay): I think my right hon. friend will see that a provincial government might pass an act that would leave entirely in the hands of the lieutenant governor in council the scheme to be worked out under regulations. The act would coincide with this act in the amount of payment and the period, but as to the scheme, that might not be in the provincial legislation at all; it might be left entirely with the lieutenant governor in council.

Mr. MEIGHEN: That is the same thing.

Mr. KING (Kootenay): Yes, and their scheme must be approved by the governor in council. Surely that is simple and proper.

Mr. MEIGHEN: It does not matter a fig whether the whole is passed by the legislature or whether the governor in council has authority to pass the balance by regulation; that does not affect my question in the least. My suggestion was, first of all, that instead of saying "the scheme of administration", they should say that the provincial act should be subject to approval. The draughtsman has chosen to say the scheme of administration shall be approved. Now, the scheme of administration will be either the whole provincial act, including the regulations passed under it, or only part. Who is going to say which of these clauses, whether of regulations or of the original act, are part of the scheme of administration which the provinces will not thereafter have the right to alter, and which are the clauses forming no part of the scheme of administration, which the provinces will have the right to alter? Who is the authority to decide? No one has that authority; consequently the phrase is loose, and is not a proper phrase at all.

Mr. MACKENZIE KING: Would the word "plan" suit my hon. friend better?

Mr. MEIGHEN: No, that would not be better. Just say "provincial statute."

Mr. MACKENZIE KING: The provincial statute might not contain it at all.

Mr. MEIGHEN: It has to contain it, either the act or the regulations.

Mr. ELLIOTT: I would like to call attention to what seems to me the clear intention of the clause. Here is a statement contained in this act of what the Dominion is willing to do with each of the provinces; the provinces can avail themselves of that plan, and the proportion in which the Dominion will contribute is stated. It is left to the province to formulate its legislation, as the right hon. leader of the opposition has suggested, by giving to the lieutenant governor in council power to make an agreement which will be satisfactory, and the result of clause 6 is to enable—

Mr. MEIGHEN: Clause 5.

Mr. ELLIOTT: We are dealing with clause 6 now, and it says clearly:

> As soon as agreements under this act have been made with two of the provinces adjoining the Northwest Territories, the Commissioner of the said territories may submit to the Governor in Council for approval a scheme for the administration and payment of pensions—

Here is a scheme by which we are willing to pay a certain amount; the commissioner of the Northwest Territories submits this scheme to the Governor in Council, and they arrive at an agreement. There is nothing hard and fast about it; it must give to the Governor in Council the power to make an agreement satisfactory to the Dominion. This is exactly the scheme worked out in nearly every case where one power is assisting some other power by way of contribution. We in Ontario are familiar with the assistance given in the building of highways. The province says to the county, "In the case of county roads we will pay you so much if they are built according to a plan or scheme approved by the engineer of the public works department." This is following exactly the same principle. There is a certain amount of elasticity in it; it enables a scheme satisfactory to the territories to be put into an agreement with the Governor in Council, before aid is given. If they cannot agree upon a scheme it does not take effect, but as soon as the scheme is agreed on between the two parties it goes into operation.

Mr. MEIGHEN: If the minister had kept his mind on the preceding clause he would have seen my point more clearly. I know that in the Highways Act the specifications for the highway must be approved by the federal government before the grant applies. There is no difficulty in telling what the specifications are; the specifications are made out each time with respect to each highway. There is no difficulty in telling where the specifications begin and where they end. But

this is entirely different; this is a scheme of administration. A province passes an act; there are clauses numbering from one to thirty, then a clause saying that the Lieutenant Governor in Council may make regulations governing it, and the Lieutenant Governor in Council is authorized to make an agreement with the federal government. Then those regulations are made pursuant to that act and the whole becomes a statute. Within that there must somewhere be a scheme of administration, I suppose. It may be partly or entirely in the regulations, or it may be partly or entirely in the old act. Who is the authority to say which part of the complete act, regulations and sections, is the scheme of administration, and which part is not? That is very important.

Mr. ELLIOTT: Both parties must agree to it, and so long as they agree that is the scheme.

Mr. MEIGHEN: It does not say they must agree upon it at all.

Mr. ELLIOTT: The agreement is the basis.

Mr. MEIGHEN: Read clause 5:

Before any agreement made pursuant to this act comes into operation the Governor in Council shall approve the scheme for the administration of pensions—

When the Governor in Council approves the scheme for the administration of pensions, that scheme must be a portion of the original act passed by the province. That is its only place. This statute says that the province cannot change that act so far as it relates to the scheme of administration. Who is to say which portions of the act comprise the scheme of administration, and which do not? The province says, "We will alter this section, because it is not part of the scheme of administration", but the Dominion says, "No, you cannot alter it; we regard that section as part of the scheme of administration". Who is to decide? Why not put it, "the whole statute"?

Mr. ELLIOTT: The statute may be so rigid that it will not enable the local authority to come to an agreement with the federal authority. The agreement is the basis of it all. The scheme is proposed in the provincial legislature and it must be satisfactory to the federal representative before they can be compelled to pay any money.

Mr. MEIGHEN: The scheme is in the provincial legislature?

Mr. ELLIOTT: Yes.

Mr. MEIGHEN: Will there be certain clauses entitled "scheme of administration"?

[Mr. Meighen.]

Mr. ELLIOTT: It will be between the act and the regulations.

Mr. MACKENZIE KING: If my hon. friend will consider the manner in which pensions are dealt with by the federal government he will see what is intended by that clause. This government pays pensions in some cases to the civil servants, in some cases to ex-members of the militia, and there are the pensions of the men who served overseas. These pensions are administered in different ways. The pensions paid to the men who served overseas are administered by a board will full powers of its own without control by any department of the government. The pensions to ex-members of the militia are paid by the Department of National Defence, while the Department of Finance, I understand, has to do with the pensions of ex-civil servants. My hon. friend will recall that some provinces have departments of labour, while others have not. Provinces having departments of labour might have the pension scheme under that department, either administered by the head of the department or by a board appointed for that purpose. Other provinces would probably have the scheme under the provincial secretary, who has to do with the administration of charitable and eleemosynary institutions. It would be for each province to decide the particular scheme which would best suit its purposes. The only object is that the scheme adopted by any province should be submitted to the federal government for approval before contributions are made by the federal government. I think that is the reason the word "scheme" is used, and if it is understood in that sense it removes any difficulty.

Mr. MEIGHEN: I quite agree there has to be a scheme, and more than that, there has to be a whole method of administration; that is very clear. But what I want to get at is, who is going to decide what section of a provincial government statute, or of a regulation made under it, goes to administration and what does not.

Mr. MACKENZIE KING: The province itself will indicate that, and submit it to the federal government for approval.

Mr. MEIGHEN: That is to say, the province will in some way say: Here is this clause—clause 2, clause 6, clause 10, and so on—which is part of the scheme of administration, and this clause we shall never change.

Mr. MACKENZIE KING: The province says: Here is our scheme in its essential

features. Then if they should wish to change any of those features they ought to bring them to the attention of the federal government, because they might change a very material clause, a change which had it been suggested originally would not have been acceptable to the federal government.

Mr. MEIGHEN: All I can say is I think it would be a whole lot better if you would say the act. It is not only the administration that has to be made satisfactory; it is the very purpose for which the pension is paid; it is the method of payment, and all the rest of it. It is not a matter of administration; it is a matter of the very principle of the act itself. The whole thing has to be agreed to by the federal government, and I do not see why that phrase should be used. I suggest that for clarity, for effect, and everything else, the provincial statute should be adopted.

The CHAIRMAN: Shall the clause carry?

Mr. MEIGHEN: For the life of me, outside the point I have raised, I do not know what clause 6 is going to lead to. It says:

As soon as agreements under this act have been made with two of the provinces adjoining the North-west Territories, the commissioner of the said territories may submit to the Governor in Council for approval a scheme for the administration and payment of pensions therein, and upon the approval of such scheme, the same shall stand, in all respects other than its duration, in the same position as an agreement with a province.

One would think the method of paying the pension was the only thing there would ever be any trouble about. In the territories, who is going to raise the money to pay the territories' share of the pension?

Mr. KING (Kootenay): In the Territories the government would have to supplement the fifty per cent which is to be paid by the provinces by another fifty per cent, and make that payable through the commissioner, under a plan which he submits, and which is accepted by the government. In regard to duration, any province can if they wish come out from under the jurisdiction of the act by giving notice. Here, in the matter of duration, it is entirely within the control of the Dominion government as to whether this scheme shall contiue or not.

Mr. MEIGHEN: Then we have got this far, that the Dominion pays the whole pension in the territories; none of it falls upon the local people at all. Is that going to be the case in the Yukon too?

Mr. KING (Kootenay): No

Mr. MEIGHEN: Then as a matter of draughtsmanship I just call attention to this: What the clause says is that the scheme—that is to say, some plan that is to be devised by the Governor in Council—shall stand. Surely it ought to go further and say that it shall be given effect to by payments. I do not think there is anything in this bill to authorize payment of a dollar in the territories. It says the scheme shall stand; it will not do much good by standing. I know what the intention is, of course—

Mr. ELLIOTT: Shall stand in the same position as an agreement with a province.

Mr. MEIGHEN: Yes, it stands in that position, but the bill should say that the Governor in Council or somebody may pay out money according to that plan. I call attention also, although I do not suppose it amounts to much, to the fact that the Territories are not included in the original definition.

Section 6 agreed to.

On section 7—When payments to provinces to be made.

Mr. STEVENS: I would like to draw the attention of the minister to the form of this clause:

All sums payable to any province in pursuance of any agreement made under this act shall be payable from time to time—

Now I call attention to what follows:

—on the certificate of the Treasury board out of any monies belonging to the consolidated revenue fund of Canada not otherwise appropriated, and the Governor in Council may borrow from time to time such sums as may be required for the purpose of making such payments.

There are two important objections, I think, to this clause. In the first place, the sums required are to be paid on the certificate of the treasury board out of any moneys belonging to the consolidated revenue fund, instead of out of moneys appropriated by parliament for that purpose, which is the usual method of handling expenditures of this kind. In the second place, I personally object to this provision that the Governor in Council may from time to time borrow such sums as may be required for the purpose of making such payments. The Governor in Council has the right to borrow, under its general powers, for the needs of the country. My submission is that this clause should be amended to make the payments subject to appropriations granted by parliament from year to year. That would enable parliament to keep at least some control over the situation, and that is the proper

method. In the second place, I submit that there should be deleted from this clause the special borrowing powers conferred upon the Governor in Council. The government should not have any rights specifically granted under this act to borrow, but let them come to parliament in the usual way for an appropriation for these payments. I am not saying this with any criticism of the government as such, but I do not think it is desirable to change the general method of handling the financial obligations of the country in this bill, as distinct from any other obligations of the government, and I submit to the minister that this change should be made.

Mr. KING (Kootenay): This section was placed in the bill at the request of the Finance department. As will be readily understood, it would be very difficult to estimate the amount that would be required and place an appropriation in the estimates. My hon. friend said this afternoon that no money at all would be required, because the act would not be workable.

Mr. STEVENS: I do not want the minister to get captious in his remarks. I am trying to offer constructive criticism, and I am not meeting him in a captious spirit at all.

Mr. KING (Kootenay): Quite right. In regard to borrowing money from time to time, this I think is the usual provision in statutes of this character. We have many statutes that permit of payments being made under the statute instead of in the ordinary way out of appropriations voted by the House.

Mr. STEVENS: That reply of the minister certainly does not satisfy me; in fact, I do not think it is a reply at all. Will the minister tell me what objection there is to submitting an appropriation to parliament?

Sir EUGENE FISET: What does my hon. friend suggest? If a vote were to be put in the estimates before it is known which provinces are going to agree to the scheme, you would have to put in an estimate for the total amount, $12,000,000. On the other hand if you have a Governor General's warrant as provided for in the section you can lay a statement on the table of the House every year; you know exactly what has been provided for. And if the scheme is adopted by one province at a time, parliament will know every year what amount has been spent under these warrants. In the absence of that, pending the approval of each province, you would have to provide for an estimated amount of $12,000,000 yearly. I see no difficulty in the provision.

[Mr. Stevens.]

Mr. STEVENS: My hon. friend was long enough practically the head of a department to know that what he is saying now has not been in accordance with the practice.

Sir EUGENE FISET: We have to provide for an exceptional case, that is what I had in mind.

Mr. STEVENS: Every session estimates are brought before parliament of what may be required when the total payment may be ten times as much as the estimate. The government uses its wisdom and brings down what it estimates will be required; it may not be all required. Now then let me go a step further. My hon. friend says it is better to provide that the payments shall be met by a Governor General's warrant. But Governor General's warrants are open to the government any time they exceed the estimate. That is within their right.

Sir EUGENE FISET: But what estimates would you provide?

Mr. STEVENS: Bring in an estimate to parliament that a certain sum will be required next year. You may estimate any expenditure of say a million dollars, or two million dollars, or five million dollars, as the case may be—whatever the government is able to estimate, using the word in its broad sense, is required. Then if there is need to use a Governor General's warrant it is quite within the power of the government to issue one without the reference in the statute. But to say in the statute that the money shall be provided by Governor General's warrant, or whatever is the equivalent of it, is, I submit, contrary to the usual practice followed in this parliament.

Sir EUGENE FISET: But after all it is a specific payment. You know the sum which is paid to the individual, you know exactly what you are doing. I do not see what harm there is in doing that.

Mr. STEVENS: I will tell my hon. friend what harm there is. The voting of estimates is the one way by which the people's representatives have a hold or control of a government—and please dismiss from your mind that I have any special reference to this government. I am not now attacking this particular government. Any government submits estimates or appropriations to parliament and then we can, although not necessarily, criticize the amount or say to the government "Now then, what is being paid? How is your scheme working out?" My right hon. leader has just pointed out how the govern-

ment are given power to provide for certain schemes. Well, when your appropriation is before parliament some hon. member may not be satisfied as to the way the government's scheme is working out. He or I or anyone else can then say to the government, "We want an accounting of this thing; we want an explanation of the scheme that has been adopted in British Columbia, Nova Scotia, Ontario," or anywhere else. And here on the floor of parliament we are able to review and discuss the action of the government. That is the reason I submit to the committee that in respect to this proposal an estimate, or an appropriation should be submitted to parliament in the usual way under the Appropriation Act.

Mr. ELLIOTT: May I say what occurs to me with respect to the absolute necessity of having this provision as it is worded? My hon. friend's proposition, I think, would be correct if this were an ordinary grant. But in this case the money is to be paid under an agreement. Once the agreement is entered into between the province and the Dominion, the latter has no option about paying it; it is going to pay the money it agrees to pay. For that reason the draughtsman of this bill has made, I think very wisely, the provision we find here:

—the Governor in Council may borrow from time to time such sums as may be required for the purpose of making such payments.

For the reasons I have given I think that is the proper way to work the matter out.

Mr. STEVENS: Whether the minister leaves in or takes out the words "the Governor in Council may borrow" does not make any difference, because the government have that power now. I make very little reference to that. If the government have not enough money out of the appropriation they borrow. Whether it is for this or any other purpose, they have the power to act under a general statute. What I am complaining of is the principle that has been departed from of bringing before parliament an appropriation or estimate so that we may review year by year the progress made under this bill.

Mr. MACKENZIE KING: I must say I agree very largely with what my hon. friend has been saying. Personally I should like to see something added to the bill which would help to ensure the object that he has in view. Section 17 reads as follows:

On or before the thirtieth day of April in each year the Minister of Finance shall make a full report to parliament of the operation of the agreements made pursuant of this act and of the moneys of Canada paid to the provinces under each of the several agreements entered into pursuant hereto.

By presenting that report parliament will have a knowledge of what agreements have been made and what amounts shall be required for subsequent years. I think that wherever an agreement is made, it would be wise that the minister should be required to ask parliament for the grant of money that may be necessary year by year for the purpose; but until some agreement is arrived at I think it would be premature to ask the House to appropriate a sum which cannot possibly be estimated in advance. Take for example this year: were we to seek to make provision by an estimate we would be utterly at a loss. Between now and the next fiscal year it would be quite impossible to say what amount will be required; but once a province has come to us and asked us to make an agreement, and an agreement has been entered into then, I think, thereafter there ought to be some obligation on the government of the day to see that parliament has an opportunity of considering the necessary appropriations and unless there be good and sufficient reason to the contrary of voting them annually. I do not like the House to get away from the annual vote if that can be prevented.

Mr. STEVENS: Let me just suggest a change in the wording and then place my further argument. I would suggest a substitution—I am not moving this, Mr. Chairman, I am merely suggesting it—to this effect:

All sums payable to any province in pursuance of any agreement made under this act shall be paid out of moneys appropriated from time to time by parliament for that purpose.

That is following almost precisely the wording of a bill we passed this afternoon in regard to another matter. Now, there is no possibility of any demand being made this year. The legislatures of the provinces will not meet until next winter, or next fall, so that no act can be passed by them until just about the same time as this parliament will be again assembled in its next session. No province, therefore, need be worried about this year. But between now and next year the government, we will say, enters into some agreement with a province. Then it can come before parliament next year with an estimate. In the interim should a contingency arise where money is required, the power having already been given, the government can issue a Governor General's warrant for the necessary amount. I would not expect there would be any need whatever to do that between now and next session, but it is the principle that I am contending for. I know the same principle is quite dear to the heart

of the Prime Minister, and I submit the point with good faith to him.

Mr. MACKENZIE KING: It might be well if this section were permitted to stand, to permit of a conference with respect to it with my hon. friends opposite. There are one or two points that probably have escaped my own notice in regard to the wisdom, from the point of view of the co-operation of the provinces in the matter, of not leaving any uncertainty with regard to what the federal government or this parliament will do as to voting sums from year to year. I think my hon. friend would wish that there should be no doubt in that regard.

Mr. STEVENS: Oh, no.

Mr. MACKENZIE KING: I am informed that that was the main reason why the section was draughted as it stands.

Mr. STEVENS: We yearly vote sums, what we call statutory amounts. I think the heading in the estimates is "Called for by statute."

Mr. MACKENZIE KING: Yes, you can do that in some cases where the amount the federal government is expected to give is approximately known, but such is not likely to be the case with the old age pension scheme. For example, in the case of technical education, agricultural instruction, highways, and other schemes where the federal government has contributed, that is the way the money has been voted, but the government has had knowledge in advance of what in all probability was likely to be required. Until the several provinces come in under this act it is impossible to say what those amounts will likely be. But I would say, having regard to the point I have just mentioned as to the reason which actuated the draughtsman of the measure in this regard, that it is better to let that section stand for the present, with the hope of ultimately meeting the object hon. members on both sides have in view.

Section stands.

On section 8—What persons are pensionable.

Mr. McQUARRIE: The important feature of this clause is in regard to the age of the pensioners. In this connection I have received a letter from one of my lady constituents, and as the ladies are taking a good deal of interest in what is going on in this House, I am going to ask the privilege of quoting from it; I will not read the whole letter.

[Mr. Stevens.]

Mr. STEVENS: Leave out the personal part.

Mr. McQUARRIE: The letter reads:

> The terms of proposed old age pension are too hard. The age of pensioners should be sixty-five. Who that needs it can get work after sixty-five? And $20 is a very skimpy amount to live on in Canada, much less than the government could keep old folks in homes with a paid staff to attend them. As twenty years have passed since Ottawa named her first commission, it is to be hoped the members will have pluck enough to bring it to materialisation in 1926. Think of all the money wasted on commissions during said twenty years on friends of governments in lieu of the poor. To know that New Zealand has been paying old age pensions for nearly thirty years while Canada who can afford millions for graft is still talking about it, is, surely a disgrace to all politicians past and present. Before Premier King took his seat I wrote him asking to bring matter forward. Like his predecessors he would but forget the poor once he was in the saddle. During past sixteen years I have written about 250 letters on subject. Well, do your best during present session for the aged. It is comforting to know you are one of the very few who does some strenuous work at Ottawa.

There is something in the point that the age of seventy is perhaps unreasonable. If we are going to do anything, why not make it applicable, as suggested by this lady, at the age of sixty-five?

There is another matter which I think should be covered in this section. Something should be done in regard to returned men. It may be said, of course, that the returned men are taken care of by the soldiers' pension scheme, but we all know there are cases where men who served their country overseas are not receiving pensions—although they are more or less nothing better than human wrecks—because they cannot prove that their disability is due to their service overseas. There are men who served overseas who become aged before their time; they become old men at an earlier age than those who have not served overseas might be expected to do. In this connection I have a resolution which was passed by the Great War Veterans' Association of Canada at Victoria, British Columbia, and I wish to take this opportunity of placing it on Hansard. It reads as follows:

10 p.m.

> Resolution passed by the Victoria command of the G.W.V.A., duly convened in general meeting; on this 18th day of March 1926.
>
> That whereas the federal government is now considering an old age pensions bill;
>
> And whereas it is common knowledge that many men who served in the late war have, by reason of hardships endured, become prematurely aged;
>
> And whereas the Ralston royal commission in its report recommended that some special provision should be made for such men;
>
> Be it therefore resolved that in the opinion of this branch of the Great War Veterans' Association provision be made in the Old Age Pension Act that the age limit for veterans be "fifty-five" years of age,

instead of seventy years of age, further, that men who served their country during the war be considered as eligible regardless of time of residence in Canada prior to the war and that the act be also applicable to men receiving small pensions, without any interference with such service pension;

This Association moreover is of the opinion that if these provisions are embodied in the act will they go a long way towards solving many of the difficulties already considered by the Ralston report and other special Parliamentary committees and for the solution of which it has been advocated that the government should establish soldiers' homes.

Then I have another resolution from The Canadian Legion, Victoria Post, No. 1, which reads:

I have the honour, by direction, to forward to you the following resolution, passed at a general meeting of members of this association on Wednesday, March 17th.

"Whereas it has been published in the press throughout Canada, that an old age pension bill has been presented to parliament.

And whereas it is common knowledge that many ex-service men, on account of war service, have become prematurely aged.

Be it resolved that provision be made in the proposed old age pension scheme that certain preferences be extended to all ex-service men as follows:

(a) Preference as to age. Recommend that the age limit be 55.

(b) Preference as to length of residence in Canada. Recommend that all men who served their country in the late or other wars be considered eligible regardless of length of residence.

(c) Recommend that the act expressly state that no reduction be made in the old age pension for war disability pension."

It is felt that if the above recommendations are made effective it will go a long way towards the solution of many difficulties recognized by special parliamentary committees and the royal commission on pensions and re-establishment, for the solution of which recommendations have been made for the establishment of soldiers' homes in Canada.

There are matters referred to in these resolutions which should receive the consideration of this House. There are cases in which special treatment should be accorded the returned man, and that principle has been recognized by this parliament time and time again when preference has been given him, as for instance in the civil service. It may be that these resolutions go too far, although for my own part I do not say that. I certainly think that some concession should be granted returned men, at least in necessitous cases.

Mr. STEVENS: According to paragraph (d) provision is to be made for the payment of a pension to anyone who at the date of the proposed commencement of the pension—

—has resided in the province in which the application for pension is made for the five years immediately preceding the said date.

What useful purpose will this paragraph serve? Some province, in its wisdom, might consider it desirable to fix the period at ten years. The draughtsman admits the principle of a set time, the bill providing a period of residence in Canada for twenty years. That period is satisfactory to the federal government so far as residence in the Dominion is concerned, but why should not the province have the right to determine the period of residence within its own limits? The province, in order to protect its own revenues, might want to fix a period of ten, fifteen or twenty years even; but if it decided upon, say, ten years, its legislation would not conform to this bill. I do not see what purpose is served by including among the provisions of section 8 any reference at all to residence within the province. Why not leave that altogether to the province?

Mr. WOODSWORTH: There are later clauses relating to the migration of pensioners from one province to another.

Mr. STEVENS: Surely the province should have the right to determine what length of residence within its own limits shall be necessary to entitle a pensioner to the benefits of this scheme. I am as anxious as anyone else to have an old age pension scheme of some kind provided, but we must realize that we in this House cannot impose our will upon the provinces. We should therefore omit from the bill all such verbiage, if I may use the term without offence, as is not absolutely necessary to protect federal interests, giving to the province as great latitude as possible to determine its own conditions.

Mr. BROWN: Does the hon. member recognize the necessity for a uniform period in all the provinces?

Mr. STEVENS: I do not know that uniformity is absolutely essential. We are fixing in this paragraph a period of five years as the length of residence in the province necessary to entitle the pensioner to come under the scheme. That is a comparatively short time in a matter of this kind. If one, two or three provinces come into the scheme, there will naturally follow a gravitation of persons approaching old age to such provinces, where they will take up residence with a view to obtaining pensions after five years.

Mr. HEAPS: Has the hon. member read section 10?

Mr. STEVENS: I have not read it in conjunction with this one.

Mr. HEAPS: Section 10 covers the point.

Mr. WOODSWORTH: Sections 10 and 13 relate to transfer of residence and they cover the point which the hon. member is making.

Mr. STEVENS: I do not see any necessity for paragraph d). We are providing in paragraph (c) that before anyone may obtain a pension he shall have resided in Canada for the twenty years preceding the date at which the pension begins. Very well; that protects the interests of the Dominion. But why should we invade the provincial sphere and decide for the provinces the period of residence that shall be necessary? Why not leave that to the provinces themselves?

Mr. WOODSWORTH: Does not this provision refer to the administration of the act? When a pension is granted to anyone who has been only five years in the province, the other provinces in which he has lived are asked to contribute their share.

Mr. STEVENS: That is not the provision in this paragraph.

Mr. WOODSWORTH: You will find it in later paragraphs.

Mr. STEVENS: I do not see why (d) should fix a period of five years rather than ten or fifteen. The paragraph is not necessary.

Mr. HEAPS: Unless a man has been five years in the province he cannot file his application for a pension.

Mr. STEVENS: I say that the clause is wholly unnecessary and should be deleted.

Mr. HEAPS: Suppose, as the hon. member suggests, one province should come under the scheme and a large number of prospective pensioners began to gravitate to that province for the purpose of getting the pension: that province might decide to make the period of residence two years and there would be nothing in this bill to prevent it.

Mr. STEVENS: We may trust to the province to look after its own interest in that respect, and that is the very reason why I am arguing that we should leave it to the province to decide upon residence within its own boundaries. But suppose all the provinces were willing to fix the period at two years; why should the Dominion government worry?

Mr. HEAPS: Would you likely get uniformity if you left it to the provinces to decide the question themselves?

Mr. STEVENS: I do not know that you require uniformity in respect of the period of residence within the province. Let the provinces determine that. As long as this parliament cares for the main principle of a twenty year residence anywhere in Canada, I do not care where, that is all it is concerned in. We are going into partnership with the provinces; let each province, therefore, determine within its own borders what the residence shall be there.

Mr. BROWN: If it was decided that uniformity was not necessary, I would be prepared to agree with the hon. member for Vancouver Centre, but I am yet unable to see how you can dispense with uniformity.

Mr. BAKER: Clause (c) provides:

(c) has resided in Canada for the twenty years immediately preceding the date aforesaid;

That is, he must have arrived in Canada twenty years before reaching the age of seventy. Is there not danger in that clause to the welfare of Canada? I presume the whole purpose of this legislation is to reward those who have worked for the welfare of Canada. I think we all agree that this is desirable. Unfortunately the working people of Europe by the time they have reached the age of fifty are pretty well broken down. I have seen hundreds of them and know what I am talking about. If they come here at the age of forty-nine years and eleven months, and are not in a physical condition to give any labour to Canada between that age and seventy, they might live to the age of ninety, and although owing them no reward the Dominion would be paying them a pension for that period. That is the only bad point I see.

Mr. KING (Kootenay): Replying to the statement of my hon. friend from New Westminster (Mr. McQuarrie) regarding the resolution he submitted from a returned soldiers' organization, I think it would be well not to complicate the bill by making special classes. If parliament is disposed to deal with returned men I am quite in sympathy with such action, but I think it would be a mistake to interfere with the uniformity of old age pensions under this bill. As to the time of residence, in Great Britain, the British Dominions and the United States, and I think in some of the South American countries and also the European countries twenty years residence is generally accepted as sufficient. If people broken down in health come to this country at the age of forty-nine or fifty, they probably would not live to be seventy anyway, and I doubt very much whether they would get by the Immigration authorities.

Mr. BAKER: I have known people to come to Canada after they have passed their fiftieth year.

Mr. KING (Kootenay): So have I. But I think to extend the period of residence beyond twenty years would defeat the desire

of those who are in favour of this legislation. Now, residence of five years in a province is a matter of degree.

Mr. BAKER: Are we not to pay pensions after five years?

Mr. KING (Kootenay): I repeat that five years' residence in a province is a matter of degree and judgment. In framing the bill it was thought there should be at least some period of residence required in a province, and it was decided that five years would be fair. To leave this to the provinces would not lead to uniformity. Provision is made in the bill that where, say, a person has resided for five years in Ontario, ten years in Alberta and finally five years in British Columbia, and there makes his application for a pension, the provinces concerned would each pay their proportion according to the term of residence within their boundaries—of course, provided that those provinces are in the scheme.

Mr. STEVENS: Suppose those provinces were not in the scheme, would not British Columbia in the case cited have to pay it all?

Mr. KING (Kootenay): Fifty per cent.

Mr. STEVENS: That is the point I am raising.

Mr. KING (Kootenay): I quite agree with my hon. friend as to the desirability of a time limit, but it was felt that five years would be sufficient protection, because after all that would not prevent people gravitating from a province where the scheme is not in effect to one where it is.

Mr. BAKER: My suggestion would be to make clause (c) read:

(c) has resided in Canada since the age of twenty years.

This would ensure to Canada the benefit of the labour from the age of twenty to the age of seventy, when the person would be rewarded with a pension.

Mr. HEAPS: Mr. Chairman, two very important features of clause 8 have not yet been very much touched upon. I would first of all deal with paragraph (f):

(f) is not in receipt of an income of as much as $365 a year.

I take it, Mr. Chairman, that that would disqualify a person from receiving any old age pension if his total income, including pension amounted to $365. In other words, a pension would be allowed to anyone possessing an income of $125 a year. I think that is rather too low. There are many people paying into the funds of various organizations who later may be receiving a pension of $15 or $25 per month. Assuming a person was receiving a pension of $300 per year from an organization, his pension according to this legislation would amount to $65 per year. Now, in my opinion the income he is allowed is too low. I find that in Great Britain where old age pension legislation is in effect a pension of £26 is allowed to a person with an income not exceeding £26 per year. In other words, the pensioner is allowed to have an income of equal amount to that of his pension. In Australia where the pension payable is £39 per year, the pensioner is also entitled to have an income of the same amount before any deduction is made; and exactly the same thing applies in New Zealand. I do not see why we could not insert a similar provision in this bill. I think the $125, which is approximately $10 per month, is altogether too low. The allowance ought to be $240 per year; in other words, until the pensioner is receiving from other sources more than $20 per month, there should be no deduction from his pension.

Mr. CAMPBELL: May I ask my hon. friend if that is not a little larger than the British pension? He quoted £26 as the British pension, and a person would still be eligible to have an income of £26, which would make about $260 in our money, or a little more than the pension proposed here.

Mr. HEAPS: I am dealing with the amount which they are allowed to have as personal income outside of the amount of the pension. In Australia, considering the purchasing power of money, I think the pension is higher than that proposed by the present bill. A person is allowed £39 per year as income, which is equal to the pension received.

Mr. CAMPBELL: I was trying to point out that under the present system a person could have an income of $360 a year, whereas under the British system he could not have more than $260.

Mr. HEAPS: My hon. friend is quite correct, but I am pointing out that there a man is allowed to earn an amount equal to his pension. The same applies where the pension is considerably higher, as in Australia. In New Zealand I find that if there are two persons receiving pensions, husband and wife, they are entitled to a joint income of £130 per year. What are we going to do? It means that many people who may earn from $15 to $20 per month will probably be compelled to hide their earnings when making out their statements. I think we should follow the practice adopted by Great Britain,

New Zealand and Australia, and allow the pensioner to earn a higher amount than is here specified in paragraph (f). I would urge that upon the minister; I think it is a point worthy of consideration.

Mr. KING (Kootenay): Considering that this is our first attempt at an old age pensions scheme I think we should advance carefully. We have made provision for $20 a month. That is not a large sum, but in the aggregate it will involve a large expenditure. To increase the allowance one might have from earnings or from income seems an easy thing to do, but I think at present we could very well afford to be careful and fairly conservative. After the scheme is in operation, if it is successful, and if from experience we find that it might be enlarged and that we might be more generous, then would be the time to consider the matter. At present I would prefer, and do suggest to the committee, that we should not depart from the provisions as set forth in the act.

Mr. BROWN: I would suggest that we take clause 8 section by section, and get somewhere.

Mr. DICKIE: With respect to subsection (d) it seems to me a difficulty might arise. In the event that Manitoba, Saskatchewan and Alberta declined to come in under this scheme, every man approaching the age of sixty-five in these three prairie provinces would immediately migrate to British Columbia, which province would doubtless come into the scheme. Although we in British Columbia venerate age we do not want our province to become an old men's home. What would prevent all these old men approaching sixty-five years of age from coming to British Columbia?

Mr. BROWN: Suppose Manitoba adopts it and British Columbia does not?

Mr. DICKIE: Manitoba shows no intention of adopting it. Alberta shows no such intention nor does Saskatchewan, but British Columbia undoubtedly will come in.

Mr. WOODSWORTH: In a case such as that mentioned by my hon. friend there is provision made in clause 10 for the distribution of the burden.

Mr. DICKIE: I quite understand that, but we have no senate in British Columbia; we do not want to make it an old man's home.

Mr. KING (Kootenay): I think my hon. friend is unnecessarily alarmed. The class of individuals who will receive a pension under this act have not the means for transporting themselves.

Mr. DICKIE: Their friends would assist them.

Mr. KING (Kootenay): Possibly, but it would be discovered shortly and an end put to that practice. The only difficulty would be with the province of Alberta, where they would simply have to step over the line, but the pension board would soon become familiar with a situation of that kind.

Mr. DICKIE: But we would have no redress.

Mr. KING (Kootenay): If that occurred a means of redress would be found. The five-year period is, I think, sufficient to prevent such a thing. The delightful climate of British Columbia is attractive, I know, but I think the class who would come under the provisions of this bill will hardly be travelling very much at the age of sixty-five, in order to get located for this scheme.

Mr. NEILL: I think the objection of my hon. friend is fully met by section 11. If a man is getting near the age of sixty-five in Alberta, where there is no pension payable, and goes to British Columbia and stays five years his pension—

—shall be reduced by the same proportion as the duration of the pensioner's residence in such other province bears to twenty years.

The man would only get a proportionate pension, so no advantage would be gained by going to British Columbia except that of living in such a delightful province.

Mr. DICKIE: That would conflict with section 10, then, which provides that no matter what part of Canada the man has lived in, if he came to British Columbia the provinces of Manitoba, Saskatchewan and Alberta would have to pay a portion of this pension, but we would have the old gentleman with us.

Mr. NEILL: Section 10 deals with the case where the previous province pays a pension, while section 11 deals with the case where the previous province does not pay a pension.

Mr. WOODSWORTH: There is one class whose claims might be considered before passing this section; I refer to those who presented a petition the other day for the blind. I do not know whether it is possible to make provision in this act for them. We all recognize that people with such a disability are in need of an old age pension earlier than are other people, because it is much more

difficult for them to obtain work. I do not know whether it would be possible to have an amendment to subsection (b) to provide that in the case of blindness the age might be reduced by five or ten years. In one or two of the other acts such provision is made. Ideal disability insurance should perhaps be dealt with by a special act, but in the case of blindness comparatively few would be affected, and the expense would not be very heavy. I would at least suggest to the minister that an amendment might be made to subsection (b), to make it read:

—has attained the age of seventy years or, in the case of the blind, the age of sixty years;

Or whatever age might be fixed.

Mr. CAMPBELL: I might suggest to the hon. member for Nanaimo (Mr. Dickie) that in such a case as he suggests it would not work such a hardship on British Columbia, because the prairie provinces would be paying their proportion of the Dominion tax. British Columbia, would be deriving some of the benefits, while the prairie provinces would have none. So that even in the extreme case mentioned, and I do not for a moment admit it would work out even in that case, British Columbia would be benefited.

Mr. DICKIE: I think the clause quoted by the hon. member for Comox-Alberni absolutely covers the point which I raised. I do not at all agree with the hon. member for Mackenzie. The sum of $20 a month is not going to support these old people, and we are not going to see them want if they come to British Columbia. But clause 11 absolutely covers the objection which I raised.

Mr. MACKENZIE KING: I was just going to say to my friend from Winnipeg North Centre in regard to the case of the blind, of whom he has spoken, that I imagine there is no class in the community for whom we would desire to do more than for those who are deprived of their sight, but I think the matter of blindness ought to be considered independently of the matter of old age. This is experimental legislation at this stage, and I am afraid that if we burden it unduly by adding to old age other features, we may have difficulty in getting the general support we would like to have for this legislation. I would be inclined to think that any suggestion of that kind had better be deferred until after the statute is enacted, and if the provinces wish to make that proposal themselves in their own legislation, there would always be the opportunity if it were deemed advisable, to have our legislation amended. There is the further fact that the federal government at the present time is appropriating some money, not a great deal, specifically for the blind. I have in my hand a copy of the estimates, and one item, under Miscellaneous, refers to a vote that we expect to get from parliament for the blind—Grant to the Canadian National Institute for the Blind, $10,000. If I recollect aright, there was some other vote for the blind we did appropriate in a previous year. I think we had better not at present introduce a new feature in this legislation.

Mr. BAKER: Is there any clause here that would prevent a person of seventy who has a little capital from doing away with it for the purpose of getting a pension under this legislation?

Mr. KING (Kootenay): If he was discovered doing that, he would not be qualified for a pension.

Mr. BAKER: Does the bill say so?

Mr. KING (Kootenay): Yes. Paragraph (g) provides that if he has not made any voluntary assignment or transfer of property for the purpose of qualifying for a pension, he is eligible; if he has done so, he is not eligible.

Mr. BAKER: It would not be too difficult to prove, would it?

Mr. KING (Kootenay): I think not.

Section 8 agreed to.

On section 9—Maximum pension $240.

Mr. STEVENS: Subsection 2 of section 9 refers to the transfer to the pension authority of the property or house in which the prospective pensioner may live. I cannot quite discover from a casual reading what becomes of the property after the death of the pensioner. Is it returned to his heirs less a certain amount retained for charges, or what becomes of the property?

Mr. KING (Kootenay): If it is shown to the pension authority that his people have contributed a reasonable amount, the property may go to them. That is provided in subsection 3.

Section agreed to.

On section 10—Distribution of pension burden among provinces.

Mr. DICKIE: Suppose Alberta and Saskatchewan do not come into this scheme; could the federal government force the governments of Alberta and Saskatchewan to contribute the amount which is set forth here?

Mr. KING (Kootenay): No.

Mr. STEVENS: The federal government could not force them under any circumstances. Section 11 covers the point my hon. friend raises.

Section agreed to.

Sections 11 to 18 inclusive agreed to.

On section 19—Power to make regulations.

Mr. STEVENS: This is perhaps the main clause of the bill. Under this clause the regulations are to be made which will govern the agreement, and really the nature of the agreement. I think we are entitled so far as this clause is concerned to a pretty full explanation or interpretation of it from the minister in charge, having particular regard to this question: Is it intended that the agreement shall be strictly limited to the terms of this clause, or, as I apprehend is the case, are the powers of the government in draughting the agreement to be rather elastic and fairly broad? We ought to have some idea of how broad these powers are, and to what extent it is contemplated to go. I think the paragraphs of this section ought to be read one after the other so that we could follow them with some care. This is undoubtedly the main section of the bill.

Mr. MACKENZIE KING: Mr. Chairman, read the section paragraph by paragraph.

On section 19, paragraph (a)—Regulation as to the time preceding the attainment of pensionable age at which applications for pension may be made.

Mr. MEIGHEN: Mr. Chairman, I was not in when section 9 was under discussion. I do not want to discuss it, but I want to call the attention of the minister to the fact that under it a pensioner may leave his property to another pensioner and thereby escape all liability for reimbursing the government. Furthermore "pensioner" is described in the definition clause as "an applicant for a pension". The effect of that would be that if a man wants to defeat the purpose of the act, he can get his proposed legatee to apply for a pension whether he has any right to it or not, and then immediately leave his property to him. The fellow being an applicant is then a pensioner under the act and the government is done out of its money. The paragraph merely needs correction, and it should be corrected.

Mr. KING (Kootenay): I think my right hon. friend is correct. We will return to that question before we go out of committee.

Mr. MARCIL: May I ask a question in regard to the effect of subsection (2) of section 8, which declares that pensioners are not to be disqualified from voting. Does this constitute a disqualification from voting at any provincial or municipal election?

Mr. KING (Kootenay): There is no disqualification under the Dominion law. There is in the laws of some of the provinces.

Mr. MEIGHEN: Have we got the right to say who shall vote at a municipal election or who shall not? I do not see how we have that right.

Mr. KING (Kootenay): We are not taking the right.

Mr. MEIGHEN: The subsection says the receipt of a pension shall not be a disqualification. Supposing the municipality says it shall? The subsection simply should not be there. We have nothing to say as to who is or is not qualified to vote at a municipal or provincial election. It is presumption on our part to say whether this is a qualification or disqualification. The municipalities or the province, as the case may be, have the full right to say what the provincial or municipal franchise shall be.

Mr. MACKENZIE KING: I think we should have the right to say that these pensioners should have the right to vote at a provincial or municipal election, because we are contributing fifty per cent.

Mr. MEIGHEN: We have nothing to do with that. We cannot authorize a province or a municipality to grant the right to vote.

Mr. ELLIOTT: Suppose the provincial act provides that they shall be disqualified.

Mr. MEIGHEN: Surely the minister does not intend to suggest that we will bring any pressure to bear on a province in that regard.

Mr. WOODSWORTH: Why not? We want to recognize that a pensioner has certain rights and should retain his citizenship. I do not see why we should not put that as one of the stipulations.

Mr. MEIGHEN: Are we to say to the province "unless you are ready to let these people vote who are in receipt of this money you have got to be out of this thing altogether and stay out"?

Mr. NEILL: I am rather inclined to agree with the point raised by the leader of the opposition that this does interfere with the provincial franchise, and some of the provinces are very sensitive on that score. We claim that we have the right to regulate our own franchise, in fact that is our right under the British North America Act. The ques-

tion comes home particularly to us in British Columbia because it indirectly relates to our right to exclude orientals from voting. Under this provision there is a possibility that we shall be setting at naught something to which the province attaches very great importance. I know the right hon. leader of the opposition laid down in the course of a debate some years ago that the provincial franchise was not to be interfered with by the Dominion. I recall that he said on that occasion that any disability under the provincial franchise would have to be translated into the Dominion federal franchise.

Mr. FRASER: Has there not been a decision by the Privy Council holding that the province of British Columbia has a right to prohibit the names of Chinese and Japanese from being placed on the voters' list?

Mr. NEILL: Yes.

Paragraph (a) agreed to.

On section 19, paragraph (b)—Time at which payment of pension shall commence.

Mr. MEIGHEN: I do not know how in the world you are going to fix the time for application, because there may be all sorts of inquiries. The provision does no harm, but is should be worded somewhat differently, perhaps. Just say "the time at which" and leave out the words "after application therefor".

Mr. MACKENZIE KING: The phraseology is copied from the British Act.

Mr. MEIGHEN: I suggest that you leave out the words "after application therefor".

Paragraph (b) agreed to.

On section 19, paragraph (c)—Definition of residence.

Mr. BLACK (Yukon): Would that apply to the resolutions read to the House by the member for New Westminster yesterday, from the Soldiers' associations? Would the Governor in Council have power under this paragraph to make the regulations include the class of persons referred to by the hon. member?

Mr. KING (Kootenay): No.

Mr. BLACK (Yukon): Is it not desirable that they should be included?

Mr. KING (Kootenay): I said a moment ago that I did not think it desirable to bring it in under this bill as a special clause. If it is necessary to give returned men special consideration, let it be done by special legislation, but do not bring them as a class under this bill. I think that would be a mistake.

Mr. STEVENS: Will the minister explain clause (c):

> The Governor in Council shall have power. . . to provide by regulation, for. . . the definition of residence and of the intervals of absence from Canada or a province by which residence therein shall not be deemed to have been interrupted.

We have already gone through several clauses dealing with the question of residence. I would take it that clause 19 gives an added power which may vary the provisions of the other clauses that have been already passed. Is that correct?

Mr. MACKENZIE KING: In regard to all these sections, my hon. friends will realize that it is impossible to anticipate the hundred and one different matters that will come up, and all that has been attempted, by outlining the different matters specially mentioned, is to make it clear that it is desirable to note in advance as many as possible, but at the same time to leave room for additional phases of the question which may have to be the subject of regulation. In reference to a question asked as to residence, I can answer it by giving an illustration. Take the case of trade commissioners, who might have occasion to spend four years in Africa, Australia, or some country other than Canada. They would be absent from Canada for four years, and nobody is going to think of their case until the time arrives when the question of pension has to be settled. That would be one of the cases which would come under this provision. The Governor in Council would have power to provide by regulation for the definition of residence, and of the intervals of absence from Canada or from a province by which residence therein shall not be deemed to have been interrupted. The applicant is supposed to be five years in the province and twenty years in Canada. During that period he might be four years abroad on the business of the country, and under this clause regulations could be made to meet that case. I understand that all these paragraphs set out here are taken in large part from the British legislation, and they are included in order to anticipate matters of that kind which it is impossible to cover in a general clause.

Mr. CANNON: Clause 19 says that the Governor in Council shall have power to make regulations not inconsistent with the provisions of the act.

Paragraph (c) agreed to.

Paragraph (d) agreed to.

On section 19, paragraph (e)—Determination of income.

Mr. MEIGHEN: In view of the very complicated clauses we dealt with previously as to turning over the pensioner's house to the pension authorities, the renting of the house, its sale after the pensioner dies, and so forth, I think it would be much better to give the pension authority power to assess the annual value of any residence owned by the petitioner instead of having all these complicated provisions about taking it over. Surely we do not want to become the custodian of a lot of dwelling houses and pay the taxes on them. I would just take arbitrary authority to assess what the property is worth by way of rental. It would be infinitely simpler than this.

Mr. ELLIOTT: That is exactly what is done in Ontario by the municipality in the case of any property owned by an occupant of the House of Refuge.

Mr. MEIGHEN: That is very simple. There is a legal provision in regard to it. We do not want to keep track of property all over the Dominion, keep the houses in repair and pay taxes. We do not want to assume that burden.

Paragraph (e) agreed to.

Paragraph (f) agreed to.

On section 19, paragraph (g)—Under treatment in public institutions.

Mr. STEVENS: During the previous discussion some hon. member, speaking with authority stated that it was the intention of the government under the provisions of this act to make an agreement with the province that would enable the federal authorities to pay this pension to the province on behalf, we will say, of institutions like poorhouses or old men's homes, such as we have in British Columbia. Is it the intention of the government to do that? Will the government disclose what it had in its mind when this clause was draughted?

Mr. KING (Kootenay): This would probably cover cases where the pensioner required to go to the hospital for treatment, or to some public institution of that kind, in which case a portion of his pension would be payable to the institution. I think that is a matter that would have to be worked out pretty well by the pension authorities. The province might be able to maintain some of these pensioners at less cost and to greater advantage to the pensioner in an institution like an old men's home, in which case the pension could be partly used for his maintenance.

Mr. MEIGHEN: This is the most important clause of the bill.

Mr. KING (Kootenay): Oh, no.

Mr. MEIGHEN: This is the clause that will really be operative if the bill ever becomes law. The provinces have these institutions; some of them are very fine ones, and the provinces are not going to scrap them and then assume the burden of helping to maintain these people.

Mr. BURY: Is it the intention of subsection (g) to provide for the payment of the pension or any part of it to the institution in which the beneficiary is placed?

Mr. MEIGHEN: Yes.

Mr. BURY: It does not say so in the clause. It says, "the circumstances in which pensions may be paid for the benefit of persons supported or under treatment in public institutions." If you are paying the money to the person himself, you are paying it for his benefit. The clause says, "supported or under treatment in public institutions." There is nothing in the clause to provide that the pension be paid to the institution.

Mr. ELLIOTT: That is broad enough to cover everything, I should say.

Mr. BURY: Too broad. Surely the wording of the clause is consistent with payment to the person, and does not necessarily imply payment to the institution. You should expressly say in the clause that there is power to pay it to the institution.

11 p.m.

Mr. KING (Kootenay): We pay over our money to the province. It may be that under certain circumstances the province will find it to the advantage of the pensioner, to the advantage of the province and of the whole scheme, to pay part of the pension to the public institution in which the pensioner is placed. It depends on the circumstances.

Mr. BURY: If the intention of the clause is to empower the federal government to pay either to the individual or to someone else, the language does not seem to convey that intention.

Mr. KING (Kootenay): We pay only to the province.

Mr. BURY: That is a different matter.

Mr. WOODSWORTH: Is there anything in this paragraph in conflict with section 16, which provides that no pension shall be sub-

ject to alienation or transfer by the pensioner or to seizure in satisfaction of any claim against him?

Mr. KING (Kootenay): No.

Mr. STEVENS: My hon. friend may as well be clear on that point. As I read paragraph (g) the meaning is that the money will not go to the individual at all, but to the institution in which he happens to be living.

Mr. BURY: That is the very question I asked, and I was told that the money did not go to the institution at all, but that it rested with the province to say to whom it should go.

Mr. ELLIOTT: The federal government pays only to the province.

Mr. STEVENS: The minister is not answering the question clearly; my hon. friend (Mr. Bury) gets one understanding and I another. The straight question is this: Is it the intention to provide in these regulations that the federal portion of the pension may be paid to the province on behalf of an institution just as well as on behalf of the individual?

Mr. MEIGHEN: As I understand it, our share goes to the province, but the regulations will provide the circumstances under which the money shall be paid by the province to the institution rather than to the pensioner. I repeat, it is the most important clause in the whole act; it is the one which will really work if the act goes into operation. We shall be helping to keep the poor in the homes.

Mr. BURY: If it is intended to incorporate in the bill power on the part of the federal government to direct where the money shall go, whether to the beneficiary or to the institution, this intention is not being expressed clearly enough in the phrase "the circumstances in which pensions may be paid."

Mr. MEIGHEN: The pension may be paid by the province for the benefit of the individual.

Mr. BURY: When you pay the money to the province you are not paying it for the benefit of the individual if the province hands it over to the institution.

Mr. KING (Kootenay): The Dominion government pays the money directly to the province, and the province may decide under certain circumstances that it is to the advantage of the pensioner that the payment should be made to the institution for his keep.

Mr. BURY: Then what is the use of paragraph (g) at all if you pay the money to the province and allow the province to do as it likes with it?

Mr. ELLIOTT: The scheme must be approved by the federal government before the agreement is entered into.

Paragraph (g) agreed to.

On section 19, paragraph (h)—The mode in which pensions are to be payable.

Mr. BLACK (Yukon): What does this mean?

Mr. KING: Kootenay): This is a matter of regulation.

Mr. BLACK (Yukon): Does it mean that the pension may be payable by promissory note, by cheque or in cash?

Mr. KING (Kootenay): We hope that the Post Office Department may be utilized in the payment of the moneys. The necessary arrangements will have to be worked out.

Mr. BLACK (Yukon): I take it, then, that it refers to the department of government through which the pensions will be paid?

Mr. KING (Kootenay): It merely provides for the machinery through which payment will be made.

Mr. BLACK (Yukon): So far as the Yukon and the Northwest go I have no hope at all that this act will apply to them, notwithstanding the assurance of the Minister of Public Works that it is the intention of the government that it shall. Certainly, as the bill is worded, there is no evidence that such is the intention.

Mr. KING (Kootenay): It was intimated this afternoon that there would be an amendment to clear up any doubt my hon. friend might have in this regard. Before we go out of committee to-night we shall move an amendment for the purpose.

Paragraph (h) agreed to.

Section 19, paragraphs (i) to (m) inclusive, agreed to.

On section 19, paragraph (n)—Recovery of pension payments made by reason of nondisclosure of facts or innocent or false representations.

Mr. BURY: Is this not an encroachment upon provincial property rights? If you try to recover from a man in Alberta or Saskatchewan a pension wrongfully paid to him by reason of misrepresentation or concealment of facts,

are you not thereby trenching on provincial rights? It seems to me that you are dealing with a question that lies purely within the purview of the provincial legislature, and you are doing so by order in council.

Mr. CANNON: The provinces will have to agree.

Mr. MEIGHEN: But there is the whole trouble with the very conception of this bill. The Governor in Council cannot make regulations to govern the recovery of pension payments, with or without interest, for the simple reason that, as pointed out by the hon. member (Mr. Bury), the government of Canada cannot recover. But the Governor in Council can take the stand that it must first be satisfied with the provincial statute. The suggestion I made first of all, therefore, should have have been accepted, that the provincial statute must be approved by the Governor in Council. Then the provincial statute will not be approved until it so provides. But you can never by regulation of the Governor in Council provide for something which only a provincial government can do. In a word, this is a conglomeration borrowed from a statute which cannot apply because we have a federal system, and they have not.

Mr. CANNON: The provinces can always delegate their powers to the federal government.

Mr. MEIGHEN: They are never going to do it.

Mr. CANNON: They might do so.

Mr. MEIGHEN: Does the Solicitor General imagine the provinces are going to authorize the federal government to come in and recover pensions that the provinces have paid?

Mr. CANNON: I do not say they would, but from the legal viewpoint they could.

Mr. MEIGHEN: I suppose from the legal viewpoint they could authorize Mars to do it; but it is inconceivable. What is the sense of suggesting that the Governor in Council may make regulations for the recovery of money when only the province can recover it? The province can provide by its bill or by regulations under its bill, and those regulations should be approved by the Governor in Council here. That is a suggestion I made in reference to clause 5, but the ministry brushed it aside. If they had done that they could take a knife and slash out about two-thirds of the clauses under 19. As it is, there they are, just surplusage.

[Mr. Bury.]

Mr. ELLIOTT: Does it not strike my right hon. friend that the provisions are to be made by the Governor in Council as to the circumstnces under which these payments should be recovered? For instance, he says to the other party to this agreement: You shall recover from a certain pensioner payments made to him by reason of false representations. In other words, this government does not propose to allow the pensioner who obtains a pension under false representations to retain it, and under certain circumstances it shall be recovered. It is all part of the agreement.

Mr. MEIGHEN: Very well, if it is part of the agreement how can it be a subject of regulation?

Mr. ELLIOTT: The Governor in Council says by one of his regulations: This is the agreement you make, you must recover pensions that were obtained under false representations.

Mr. MEIGHEN: The agreement is something signed between the two governments, and once it is signed no regulation has anything to do with it. I can see how that came to be put in there, and the minister ought to acknowledge it. It is in the British act. That act says that the King in Council can make regulations for the recovery of pensions which they paid. That is why it is there. But there is no place for it here because we cannot recover the pension. It is true we can say the provincial legislature must pass such and such a law. That is all provided for by section 5, or should be, by the simple assertion that a provincial statute and the regulations thereunder shall be satisfactory to the governor in council.

Paragraphs (n) to (r) agreed to.

Section 19 agreed to.

Mr. MEIGHEN: There is no use making a suggestion. These most anomalous clauses indicate that the government never expect them to go into effect.

On section 20—When regulations come into effect.

Mr. MEIGHEN: It is harmless.

Section 20 agreed to.

Mr. KING (Kootenay): Now the amendments.

Mr. MEIGHEN: May I suggest that whatever amendments the government have to offer might first be proposed, then we can adjourn and consider them.

Mr. KING (Kootenay): The first amendment, I think, will not require very much discussion. It deals with the Yukon Territory. It is proposed to amend section 2 (d) by adding the words:

—in respect to which "commissioner" shall be read for "lieutenant governor in council".

Mr. MEIGHEN: The amendment is to bring that about?

Mr. KING (Kootenay): Yes, I think it covers that without any difficulty.

Mr. BLACK (Yukon): Mr. Chairman, the minister will have to go a great deal further than that to make this bill applicable to the Yukon Territory and the Northwest Territories; in fact, even to make it workable anywhere in Canada. Summed up, this bill simply means that the Dominion government pay back to the provinces fifty per cent of the amount they pay out on old age pensions to the persons enumerated. The Yukon Territory and the Northwest Territories with their scattered population are not going to enact any legislation under which they will pay out old age pensions and come back to the federal government under this bill for fifty per cent of those payments.

Mr. KING (Kootenay): Then they are not in the scheme.

Mr. BLACK (Yukon): No. In the last campaign the government candidate in Yukon Territory, a personal friend of the Minister of Public Works, made a great point of saying to the electors: The government has in view an old age pension bill. Not an old age pension bill that would not apply to the Yukon, but a bill that would; and evidently the government did have that in mind. Formerly one of the main reasons why this old age pensions legislation could not get ahead was because the government of Canada could not get co-operation from the provinces. As regards the Yukon and the Northwest Territories they do not need any co-operation, because the federal government governs those territories regardless of any provincial governments, they are typically federal territories, and if this government is sincere in wishing to put into effect old age pensions there, why not go ahead and do it? Do not hamper any such scheme with the provisions wrapped around the provinces. The Yukon Territory and the Northwest Territories are federal territories, not hampered by provincial governments. You either want to give them old age pensions or you do not. I say to the minister, if he wishes he can make this bill applicable to the Yukon Territory and the Northwest Territories and give them old age pensions. This bill will never apply there; it will be inoperative. It will not even catch any votes—it does not go that far.

Mr. ELLIOTT: Nobody is concerned about votes under this bill.

Mr. STEVENS: Mr. Chairman, I think we have had a pretty prosperous evening; we have gone through this bill very carefully and have allowed several clauses to stand. I would suggest to the minister in charge of the bill and to the Prime Minister that the amendments which might clear up the misunderstandings in the first four or five clauses should be prepared carefully and presented at another sitting, when they can be dealt with.

Mr. KING (Kootenay): Mr. Chairman, I move that the committee rise and report progress.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 11.23 p.m.

Monday, April 19, 1926.

The House met at three o'clock.

MARINE AND FISHERIES

Mr. ALFRED STORK (Skeena) moved that the annual report of the Department of Marine and Fisheries for the last fiscal year be referred to the select standing committee on Marine and Fisheries.

Motion agreed to.

THE OPIUM AND NARCOTIC DRUG ACT, 1923, AMENDMENT

Mr. DUGALD DONAGHY (North Vancouver) moved for leave to introduce Bill No. 22 to amend the Opium and Narcotic Drug Act, 1923, (Additional Punishment).

He said: Mr. Speaker, as the act stands today the punishment of whipping may be imposed by the judge only in the case of sales of narcotics to minors. The object of this bill is to extend that power so that the judge may impose the penalty of whipping in all cases of selling or peddling narcotic drugs.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, this is really an amendment to the Criminal Code, I presume.

Mr. DONAGHY: No.

Mr. MEIGHEN: Well, it is a quasi-criminal matter, and I suggest to the hon. member that if he has any thought of having the bill dealt with this session he should take it up with the government with a view to its incorporation in one of their bills. There is no chance of its being reached this session as a private member's bill.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VANCOUVER HARBOUR BOARD—EMPLOYEES

Mr. COOTE:

1. What was the total number of wage-earners in the employ of the Vancouver Harbour Board in each year since 1920; and what were the total wages paid in each year?
2. What was the total number of salaried employees in the employ of the Vancouver Harbour Commission in each year since 1920 and what was the total amount of salaries paid in each year?

Hon. Mr. CARDIN:

1.

	Average Number	Amount Paid Each year
1921	16	$ 24,422 19
1922	24	30,981 31
1923	303	136,846 66
1924	450	555,837 27
1925	471	569,564 26

2.

1921	22	58,752 00
1922	22	59,709 00
1923	44	68,507 61
1924	61	131,256 53
1925	66	148,683 33

ICE BREAKERS ON ST. LAWRENCE

Mr. MacLAREN:

1. What was the cost of operation and maintenance of vessels employed as ice breakers in the St. Lawrence during the past year?
2. What was the expenditure for the construction of ice breakers operating in the St. Lawrence since confederation?
3. What was the expenditure for the operation and maintenance of ice breakers operating in the St. Lawrence since confederation?

Hon. Mr. CARDIN:

1. $158,979.16.
2. $914,195.15.
3. $2,208,133.00.

GRAIN TRANSPORTATION—BUFFALO AND PORT COLBORNE

Mr. SPENCE (Maple Creek):

1. How many bushels of Canadian grain were carried from Fort William and Port Arthur to Buffalo during the calendar year 1925?

[Mr. Donaghy.]

2. How many bushels to Port Colborne?
3. What was the average rate per bushel charged to (a) Buffalo, (b) to Colborne?
4. What would have been the saving if the Buffalo rate had been applied to the traffic to Colborne?
5. How much was carried from Fort William and Port Arthur to the bay ports in the calendar year 1925?
6. What was the rate?
7. What was the rate from Duluth to the bay ports?
8. What was the rate from Duluth to Buffalo (a) per bushel, (b) per ton mile?
9. What would have been the saving if that rate had been applied to all traffic in grain between Canadian ports?

Hon. Mr. ROBB: Stands as an order for return, which I now table.

Hon. Mr. STEVENS: Might I ask, Mr. Speaker, why this should not be put on Hansard? It is one of those important questions which many of us are interested in, and if it is laid on the table in the form of an order for return no one can get any advantage of it except by seeing the return.

Mr. ROBB: I have no objection if the House desires. It will pad Hansard considerably.

Mr. STEVENS: It is really a useful question.

Mr. DEPUTY SPEAKER: Answered.

The statement is as follows:

1.

	Bushels
Wheat	120,560,825
Oats	7,982,485
Barley	19,804,302
Flax	3,590,990
Rye	1,897,952
Total	153,836,554

2.

	Bushels
Wheat	39,723,243
Oats	14,618,495
Barley	5,455,208
Flax	115,650
Rye	1,405,394
Total	61,317,990

3.

	To Buffalo Cents	To Pt. Colborne Cents
Wheat	2.70	2.92
Oats	1.84	1.92
Barley	2.46	2.39
Flax	2.29	2.75
Rye	2.28	2.24

4.

Wheat	$87,391
Oats	11,695
Barley	3,819
Flax	532
Rye	563
Total	95,236

Vessels absorb certain terminal charges at Buffalo and Port Colborne which vary, thus affecting the apparent saving.

5 and 6.

	To Bay Ports and Goderich Bushels	Average Rate per Bushel Cents
Wheat	45,977,707	3.21
Oats	8,701,346	2.39
Barley	3,891,041	2.60
Flax	551,733	3.53
Rye	129,149	2.80
Total	59,250,976	3.052

7-8-9. Information not available.

HUDSON BAY RAILWAY

Mr. MURPHY:

1. What was the total cost of the Hudson Bay railway on the 31st of March, 1926?

2. What was the total area of land disposed of as pre-emption and purchased homesteads under the provisions of the Dominion Lands Act, passed in the year 1908?

3. What was the total price for which these lands were sold: (a) pre-emption, (b) purchased homesteads?

4. What amounts have actually been received in payment of these lands to March 31, 1926; (a) pre-emption, (b) purchased homesteads?

5. What amount of the balance of money owing by purchasers is estimated to be collectible?

6. What disposition has been made of the pre-emption and purchased homesteads which were not paid for and which reverted to the crown?

Hon. Mr. STEWART (Edmonton):

1. Cannot be answered by Department of the Interior.

2. Pre-emptions, 12,763,040 acres, approximately, including entries since cancelled.

Purchased homesteads, 1,322,840 acres, approximately, including entries since cancelled.

3. Pre-emptions $38,289,120 approximately.

Purchased homesteads $3,968,520, approximately.

4. Up to 28th February, 1926 (Returns for March not yet received):

Pre-emptions, $16,635,639.39.

Purchased homesteads, $3,191,648.98.

5. Balance owing by purchasers:

Pre-emptions, $7,000,000 approximately.

Purchased homesteads, $300,000 approximately.

The department is not in a position to estimate the portion of this amount which is collectible.

6. These lands were made available for entry under the provisions of The Dominion Lands Act.

CANADIAN NATIONAL RAILWAYS—TIE PURCHASES

Mr. FRASER:

1. How many ties were purchased by the Canadian National Railways in British Columbia during the fiscal years of 1923-24 and 1924-25: (a) on the Grand Trunk Pacific line, (b) on the Canadian Northern British Columbia lines?

2. How many contracts or agreements were entered into by the Canadian National Railways for the delivery of said ties: (a) with individuals, (b) with corporations?

3. What is the name of the individual or corporation holding such contracts?

4. Did any of the individuals or corporations fail to deliver the number of ties contracted for, and, if so, what is the name of such individual or corporation?

5. What was the price per tie paid to each contractor?

Hon. Mr. DUNNING:

1. (a) 1923-24, 2,108,629; 1924-25, 1,609,285.

(b) 1923-24, 244,629; 1924-25, 186,947.

2. (a) 1923-24, 13 individuals, 2 corporations, 15 firms.

(b) 1924-25, 25 individuals, 2 corporations, 13 firms.

3. M. Anderland, S. Anderson & Co., R. C. Banford, Broughton & McNeil, P. Brunell, A. J. Buchanan, Wm. Bunting, Button Brothers, Carroll & Sons, M. M. Connelly, Wm. Coop, Covington & Strimboldt, O. B. Day, Devauld & Wren, Dittmor & Robb, Wm. Featherly, J. W. Fleming, Foreman Lumber Co., Fort Garry Lumber Co. Fort Fraser Ranch Co., Olaf Hanson, C. R. Henderson. O. Hultkranz, N. C. Jorgenson, Keith & Boston, S. F. Maguffin & Co., Ltd., McCaffery Bros., McDonald Lumber Co., P. McGettigan, Northern Forest Produces Ltd., George Ogston, Prince Rupert Logging Co., J. Roberts, G. B. Robb, J. W. Sackner, C. Schrieber, Schrieber Bros., E. Smedley, F. Steves, J. W. VanNorman, S. Waldorf, Webster & Black, A. Wemken, H. Zogas.

4. Yes, Dittmore & Robb, Fort Fraser Ranch Co., Keith & Boston, J. W. Sackner.

5. It is not considered to be in the public interest to furnish this information.

GEOLOGICAL SURVEY—BRITISH COLUMBIA

Mr. FRASER:

What amount of money has been expended by the Dominion of Canada on account of the Geological Survey of the province of British Columbia in each year since 1871?

Hon. Mr. STEWART (Edmonton):

Year	Amount
1870-71	$ 4,525 41
1871-72	10,802 48
1872-73	4,336 10
1873-74	3,804 42
1874-75	6,257 84
1875-76	12,773 72
1876-77	6,679 36
1877-78	3,303 39
1878-79	4,742 18
1879-80	3,487 29
1880-81	None
1881-82	None

Year	Amount
1882-83	2,613 97
1883-84	2,812 53
1884-85	3,009 70
1885-86	9,863 63
1886-87	4,544 93
1887-88	5,577 82
1888-89	1,959 19
1889-90	4,465 37
1890-91	3,804 45
1891-92	3,577 73
1892-93	5,468 16
1893-94	6,146 86
1894-95	3,233 86
1895-96	2,444 78
1896-97	2,440 31
1897-98	3,054 28
1898-99	11,295 68
1899-1900	10,728 60
1900-01	6,779 00
1901-02	5,613 15
1902-03	8,192 07
1903-04	4,513 60
1904-05	8,605 72
1905-06	18,663 88
1906-07	33,622 00
1907-08	22,961 24
1908-09	29,833 54
1909-10	47,380 46
1910-11	53,492 79
1911-12	45,037 75
1912-13	63,234 05
1913-14	51,159 01
1914-15	46,404 09
1915-16	40,599 61
1916-17	19,814 39
1917-18	28,387 74
1918-19	34,830 92
1919-20	75,292 41
1920-21	85,834 01
1921-22	63,822 98
1922-23	59,046 92
1923-24	55,597 87
1924-25	60,315 55
1925-26	54,621 21
	$1,171,410 00

BRITISH EMPIRE EXHIBITION

Mr. CHURCH:

1. Will the government take up with the British government and the governments of the oversea dominions the holding of a British Empire exhibition annually in rotation in Great Britain, Canada, Australia, South Africa and New Zealand, following somewhat on the lines of the Wembley exhibition, as an agency for the development of inter-imperial trade and commerce, with an effort to draw Great Britain and her oversea dominions closer together so that trade may follow the flag and so promote the best interest of the empire and of Canada?

2. Will the government make any statement of what is or will be done in this connection, and if they will take this subject matter up at the next colonial conference, and see what can be done in the matter and to give effect to the same?

Right Hon. Mr. MACKENZIE KING:

1. The matter herein referred to will receive the careful consideration of the government.

2. Answered by answer to No. 1.

MR. L. W. MINKLER

Mr. DAVIS:

1. Is L. W. Minkler still in the employ of the government experimental farm at Lacombe, Alberta?

2. If not, when did his employment cease, and for what reasons?

3. When did his said employment commence? What are or were his duties under it, and what is, or was, his salary or wages therefor?

4. What payments have been received from the government from the date of his first employment?

Hon. Mr. MOTHERWELL:

1. Yes.

2. Answered by No. 1.

3. February 23, 1925. General labourer employed particularly in special detail and record work. Thirty cents per hour.

4. $1,326.90.

SOLDIER SETTLEMENT BOARD—GEORGE TARRANT

Mr. BROWN:

1. Did the Soldier Settlement Board purchase the west half of section 2-16-1 east in Manitoba on behalf of a returned soldier named George Tarrant? What was the date of purchase and what price did the board pay? Who sold the land to the board? When did the vendor acquire and what did he pay for the land?

2. Was the purchase the subject of investigation and was the land purchased contrary to the policy, rules and regulations of the board?

3. Were any employees of the board negligent in the performance of their duties in connection with the purchase of said land? If so, who were the employees? Was any employee dismissed for negligence? If so, who was the employee?

4. Who was the solicitor for the vendor when the above land was purchased by the board?

Hon. Mr. STEWART (Edmonton).

1. (a) Yes. (b) Board agreed to purchase on May 6, 1920. (c) $5,120. (d) Colonel F. J. Murray. (e) Investigation by the Royal Canadian Mounted Police showed that transfer from Margaret Gempel to Colonel F. J. Murray of this land was registered on May 17, 1920, the consideration named being $2,240. On the same day the land was transferred from Colonel Murray to the Soldier Settlement Board.

2. Yes.

3. (a) Yes. (b) J. A. Wolfe and D. W. Campbell. (c) Yes. (d) J. A. Wolfe and D. W. Campbell, in connection with this and other similar cases.

4. Anderson, Guy and Chappell.

INCOME TAX COLLECTIONS 1919 TO 1925

Mr. WHITE (London):

1. What gross amount was collected by the Dominion Income Taxation Department in each of the following years: 1919, 1920, 1921, 1922, 1923, 1924, 1925?
2. What refunds have been made from each year's collection?
3. What was the cost of collection for each year?
4. How many employees were there in the department in each year?
5. What amounts were collected by the office at London, Ontario, in each of the years mentioned?
6. How many employees were in the London office in each of the years mentioned?
7. What are the names of those who now act as assessors in the London office?

Hon. Mr. BOIVIN: Stands as an order for return.

Right Hon. Mr. MEIGHEN: Mr. Speaker, the remarks made by the hon. member for Vancouver Centre (Mr. Stevens) as respects No. 4 would apply here. The answer is exceedingly brief in each case. It may take some time to get it ready, but the question is so important that manifestly the answer should appear in Hansard.

Mr. BOIVIN: I have no objection if the right hon. leader of the opposition prefers the question may stand. It will be answered in due course.

Mr. DEPUTY SPEAKER: No. 20 stands as a question.

RURAL CREDITS—INTEREST LIMITATION

Mr. WILSON (Vaudreuil-Soulanges):

Will the government provide in the rural credits legislation, that borrowers, on the ten-year credit period, shall not pay more than 5 per cent interest on their loans and those borrowing for more than ten years not more than 4½ per cent interest?

Right Hon. Mr. MACKENZIE KING:

The government's intention with respect to rural credits legislation is set forth in the resolution which appears on the orders of the day in the name of the Minister of Finance. The details of the legislation will appear in the bill to be introduced as soon as the said resolution has been passed by the House of Commons.

OLD AGE PENSIONS

Mr. WILSON (Vaudreuil-Soulanges):

In as much as, under the proposed legislation concerning old age pensions, all the provinces must indirectly contribute their share of the amounts paid by the Dominion government to the provinces accepting the conditions of the act:

Will the government make provision therein to pay to those provinces, refusing to join in the old age pension scheme, a pro rata amount to be used by them for assistance to their hospitals and charitable institutions?

Right Hon. Mr. MACKENZIE KING: The government's policy with respect to the old age pension scheme, referred to in the question, is set forth in full in the legislation now before parliament. In the opinion of the government it would be inadvisable to introduce any additional features to the legislation now before parliament.

SADDLE LAKE INDIAN RESERVE

Mr. BURY:

1. Has the Saddle Lake Indian reserve in the province of Alberta, or any part of it, been opened up for settlers? If so, when; how much; and by what authority was it opened up?
2. By what methods and on what date or dates were the allotments made of lands so opened up?
3. What qualifications or conditions were required of applicants in order to obtain any part of the said lands?
4. What were the conditions of sale or conditions of allotment drawn by the government to govern the said allotments?
5. Was or were any other condition or conditions of sale or allotment announced by the government agent in substitution for or in addition to any of those drawn by the government? If so, had such further or other conditions been previously submitted to and approved by the government?
6. How many applicants for the said lands were there?
7. How many of such applicants were in attendance to support their applications on the day of allotment?
8. What were the names and addresses of the successful allottees; and how many acres were allotted to each?
9. How many, and who, among the said successful allottees were, at the date of the said allotment, farmers actively engaged in farming operations in the district?
10. Have any of the said allotments been approved by the government? If so, which and when?
11. How many sections were there in the said reserve and how many of these have been opened up and allotted to farmers?
12. Is it the intention of the government to open for settlement any more of the said reserve? If so, when and how much?

Hon. Mr. STEWART (Edmonton):

1. Yes; 18,720 acres surrendered for sale by the Saddle Lake band on August 4, 1925. Surrender accepted by order of His Excellency the Governor General in Council of September 26, 1925.

2. A block comprising 8,960 acres was sold for cash, to the Soldier Settlement Board immediately following surrender. Balance, 9,760 acres, offered for sale by ballot and allotment on March 3, this year.

3. Department stipulated that only bona fide settlers of the immediate district should have right to purchase.

4. Conditions of sale one-tenth cash, balance in nine equal and consecutive annual instalments with interest at six per cent. Applicants given privilege of balloting for right to purchase. This procedure decided upon in order to eliminate speculation and to confine sales to residents of district.

5. None, so far as department is aware.
6. 169.
7. 119.
8. Final report not yet received from Indian agent.
9. Answered by 8.
10. Answered by 8.
11. (a) 115.
(b) 29¼ sections surrendered for sale.
12. No, not at present.

PORTAPIQUE WHARF

Mr. MacNUTT:

1. What was the total cost of the wharf built at Portapique, Nova Scotia, in 1925?
2. Was it built by the Department of Public Works or by public tender?
3. If by the department, who was in charge of construction?
4. What amount per day was paid to the superintendent and sub-foreman, respectively?

Hon. Mr. KING (Kootenay):

1. $3,645.80.
2. Built by Department of Public Works.
3. J. A. Urquhart, foreman, under general supervision of District Engineer Thos. J. Locke, at Halifax, N.S.
4. Foreman paid at rate of 50 cents per hour. No sub-foreman employed.

DOMESTIC FUEL

Mr. MacDONALD (Cape Breton South):

Is it the intention of the government to introduce at the present session the bill that was prepared last year, entitled: An Act to encourage the Production of Domestic Fuel from coal mined in Canada, or any other bill to the same effect?

Hon. Mr. STEWART (Edmonton): It is not possible to indicate at the present time what further legislation will be introduced at present session.

BOARD OF AUDIT

Mr. GARLAND (Bow River):

1. Regarding chapter 30, 13 and 14, George V, who were appointed as accountants under section 7 of the act?
2. On what date were these auditors appointed?
3. What is the total amount of salaries paid to each since appointment?
4. What results have been obtained as the consequence of employing such auditors?
5. What activities have been displayed by the Deputy Minister of Finance and the Auditor General under this act in the following respects: (a) Enquiry into report on and recommendations as to the present system of audit as respects the public accounts of the various departments of the Dominion. (See section 8.) (b) Enquiry into and recommendation as to the systems of accounting employed by the Canadian National Railways and subsidiaries thereof. (See section 9.) (c) Enquiry into and recommendations as to the financial affairs of any commission or other public body, the operations of which are carried on by appropriations from the treasury of Canada, or which are aided by grants or loans from said treasury. (See section 10.)?
6. Have the powers of the board been extended to include enquiry into any other undertaking or service as provided for in section 11 of the said act?
7. Did the board engage skilled assistants to facilitate the work? If so, how many and at what salaries?
8. Has the board reported from time to time the result of the enquiry, and recommendation as provided for in section 15 of the act? If so, are these reports to be presented to the board?

Hon. Mr. ROBB:

1. Geo. Edwards, C. A., of Edwards, Morgan & Co., Toronto; W. Garth Thomson, C. A., of Marwick, Mitchel & Co., Montreal.
2. February 23, 1924.
3. $6,000.
4. During their term of office on the board they have investigated the following matters: Taxation branch (Dept. of Customs and Excise), salary schedules; postal service salary schedules; Quebec Harbour Commission; Vancover Harbour Commission; Canadian National Railways; Montreal Harbour Commission.
5. The Auditor General was Chairman of the board and the Deputy Minister of Finance, Vice-Chairman. The Auditor General presided at meetings of the board when the investigations were authorized and took part in directing and forwarding the activities of the board at its meetings and at such other times as required.
6. Yes.
7. Yes, 22: 12 at $30 per day, 5 at $20, and 5 at $15.
8. Yes.

CHIEF INSPECTOR OF BANKS

Mr. GARLAND (Bow River):

1. Who was appointed to the office of the Chief Inspector of Banks, under what authority, at what salary and how much has been paid to him to date?
2. How many assistants, if any, have been appointed and at what salaries?
3. Out of which vote have such salaries been paid?
4. Have any reports been received from the chief inspector as to the extent of his investigations, and are such reports available?
5. Did the Department of Finance furnish the chief inspector with a general direction as to the procedure to be pursued? If so, what were these directions?
6. Was the Bankers' Association consulted or advised as to the chief inspector in any of the following respects: (a) appointment; (b) salary; (c) duties; (d) method of procedure; (e) limitations?

Hon. Mr. ROBB:

1. C. S. Tompkins, appointed under authority of section 56A (1) of the Bank Act, at $15,000 a year. Paid to date, $21,916.66.
2. Office assistant at $1,400 a year.
3. Vote No. 409—1924-5; No. 15—1925-6; No 8—1926-7.

4. The inspector has carried out the duties assigned to him by subsection 6, of section 56A of the Bank Act. His reports are not made public.

5. The inspector is directed by the statute.

6. No.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GRAIN COMMISSION

Mr. DAVIS:

1. What are the names of the members and officers, including secretary, employed in connection with the Grain Commission and the amount given to each for his services?

2. What was the expense account of each of the said members or officials paid by the government in connection with the said investigation?

3. What was the total amount paid to each counsel or solicitor for his services in connection with the said investigation?

4. What payments were made for (a) rents of premises, (b) wages of stenographers, (c) all expenses other than those referred to under the preceding three questions in connection with said investigation?

DUTIES COLLECTED ON WOOL, CATTLE, ETC.

Mr. SUTHERLAND (South Oxford):

1. What was the total quantity, value, and amount of duty collected on the imports and exports of the following commodities during the four-year period ending March 31, 1925; wool, cattle and calf hides, meats, butter, eggs, apples?

2. What was the quantity, and value, and amount of duty collected on each of the articles or commodities mentioned in question 1, for the year ending March 31, 1926?

DUTIES COLLECTED 1921-25

Mr. SUTHERLAND (South Oxford):

1. What amount of customs duty was collected in each province of the Dominion during each of the years ending March 31, 1921, to 1925, inclusive?

2. What was the total duties collected in each province for the years mentioned in question one?

CIVIL SERVICE COMMISSION—APPOINTMENTS

Mr. HOCKEN:

1. How many employees are engaged by the Civil Service Commission?

2. How many appointments have been made by the Civil Service Commission?

3. How many men were appointed?

4. How many women were appointed?

5. What is the total amount of the annual salaries payable to the new appointees?

COUNTY OF RUSSELL—POST OFFICES

Mr. GOULET:

1. How many post offices are there in the county of Russell?

2. What are the names of the persons in charge of these respective offices?

3. What is the date of appointment of each of the said persons?

4. In what localities is the revenue more than $200?

5. On what dates were the various contracts passed for the transport of postal matters, what is the name of each contractor, the nature of each contract and the dates of the expiration of said contracts?

6. How many vacancies exist for the position of postmaster?

7. What are the names of persons who have put in application to fill said vacancies?

8. What are the names of persons appointed since November 22, 1925, to fill said vacancies?

SOCIALIZATION OF NATURAL RESOURCES

WITHDRAWAL OF COAL MINES AND WATER POWERS FROM PRIVATE OWNERSHIP

Mr. J. S. WOODSWORTH (Winnipeg North Centre) moved:

That, in the opinion of this House, measures should be taken to regain for the use of the people the coal mines and water-powers which are now being exploited in the interest of private corporations rather than for the needs of the people.

He said: Mr. Speaker, the suggestion was made on Friday that some of the hon. members opposite would like to proceed with certain resolutions to-day, but we have no definite assurance that we will have another Monday, and I would not like to allow this opportunity to pass without presenting this important resolution to the House. I have every desire to meet the convenience of my hon. friends opposite, however, and while I cannot control the debate I shall be very well satisfied if it is adjourned before six o'clock, to give hon. gentlemen opposite an opportunity to proceed.

It is sometimes charged that resolutions of this character are academic. I might point out that they are academic simply because we have not as yet a sufficient number of people thinking along these lines to bring these policies into operation. I have not the slightest doubt that before very many years have passed these questions will come decidedly within the realm of practical politics. In this particular case, however, my resolution has a very topical interest because of the developments which have taken place in recent weeks in the district immediately adjacent to the capital city.

For once I find myself in sympathy with the Toronto Telegram, and I hope the Toronto Telegram will note that fact. In the issue of April 15 the Telegram calls attention to the fact that since Sir Adam Beck's death private interests have been gradually resuming their encroachments, particularly in northern Ontario. By means of an agreement announced recently, for a supply of 260,000 horse power from Quebec, they have secured, according to the Telegram, a foothold in eastern Ontario, and have even reached as far as Toronto. Let me quote a paragraph:

A thirty year contract for a supply of power from private interests in Quebec means the end of Sir

Adam's ambition to create for the people of Ontario a great publicly-owned development which he created at Queenston and Niagara and at Nipigon.

Instead of building up a power plant for public ownership and the people of the province out of the revenues of power sales, the present contract which Chairman Magrath has negotiated means that a privately owned plant will be built up in Quebec out of revenue secured from Ontario consumers of power and light.

International Paper Company will be able to finance its entire power development in Quebec from revenue derived from the public ownership province of Ontario.

A contract that reduces Ontario once more to the level of a vassal state with private power corporations holding the upper hand is all that the people of the province get out of the latest Magrath-Ferguson "triumph".

I do not know that anyone could speak in stronger terms than those used by the Telegram in deprecating the control of our power reserves by private corporations. After all, we need examine somewhat carefully what we mean when we speak of "our" natural resources. I submit that "our" natural resources do not amount to a great deal if they are under the control of private corporations which operate these for their own interest rather than for the public welfare. For example, I may own a house, but if that house is mortgaged my ownership may be a liability rather than an asset. A man may claim that legally a woman is his wife, but if someone has alienated her affections the individual may wish he had no wife. In this case I would urge that it may not matter a great deal to the ordinary people of Canada whether the private owners live on this side of the American boundary or on the other side. But the fact that these companies are coming in from the other side makes us understand more clearly than ever that private ownership may even mean control by those living in a foreign country.

I take it, Mr. Speaker, that very few of us realize the great importance of the control of power in our modern civilization. In a very interesting book entitled America's Power Resources; the Economic Significance of Coal, Oil, and Water Power, Messrs. C. G. Gilbert and J. E. Pogue have worked out some very interesting figures. They estimate that it would require the labour of three billion hardworking slaves to accomplish the work done annually in the United States by energy resources, basing their calculations on the 150,000,000 horse-power now secured from boilers and turbines, multiplied by twenty man-power for each horse-power. The use of energy materials gives to each man, woman and child the equivalent of thirty servants. It would seem to me highly important that we should know who is to direct the labour of the thirty servants theoretically under the command of each man, woman and child. A recent article in the Locomotive Engineers' Journal of November, 1925 calls attention to the fact that there is on foot a nation wide and, in fact, a world wide movement to completely monopolize the power resources of the nation and of the world. The control of electric power means the control of the entire industrial life of the people, for with the rapid advance of electrical service it will not be long until every industry, every public utility, every farm and every home will be absolutely dependent upon electric power. If power is monopolized the nation is monopolized. In regard to our own power I would say that if our power resources are under the control of a foreign nation, then this nation of Canada is under the control of a foreign nation.

In a very interesting book entitled Giant Power, a report of the Survey Board of Pennsylvania to the general assembly, February, 1925, Governor Gifford Pinchot warns the country against the peril of this power monopoly. He says:

Nothing like this gigantic monopoly has ever appeared before in the history of the world.

Senator Norris of the United States has filled page after page of the Congressional Record with the facts about the power trust. He says:

I have been dumbfounded and amazed, and the country will be dumbfounded and amazed when it learns that practically everything in the electrical world is controlled either directly or indirectly by some part of this gigantic trust.

Over twenty millions of the 55,000,000 horsepower of potential hydro-electric resources of the United States are already owned or have been applied for by the companies.

Mr. Speaker, there are hon. members of this House who very frequently say that we ought to follow in the footsteps of Great Britain. A few months ago the Miners' Federation of Great Britain presented a memorandum to the Coal Commission as representing the viewpoint of labour on the important question of the nationalization of power. I should like to quote a few paragraphs:

This desirable transformation can best be accomplished by the transformation of the industry itself. From being a coal-extracting industry it should become increasingly a coal-utilizing industry.

It would seem, Mr. Chairman, that that is the point at which we are sticking in Canada at the present time. We are thinking of our industry as being entirely a coal-extracting industry, and we cannot make our coal mining pay on that basis. It is possible it might be

altogether different if we could reorganize our industry into being a coal-utilizing industry. Let me go on:

> The introduction of, and improvements in, methods of generating, transmitting, and employing electricity as a motive power and a means of lighting and heating have revolutionized the power problem. Electric power is now recognized to be, in a well organized community, an increasingly efficient and economical source of power, light and heat for industrial and domestic purposes.
>
> The wide range of by-products obtained from the pretreatment of coal has also provided the basis for a number of highly important industries.
>
> The utilization of coal in the production of electricity, gas, coke, and by-products has not, generally speaking, been undertaken by the coal companies. It is true that many collieries generate electrical power, but in most cases this is entirely for their own use. It is also true that many collieries have as ancillary undertakings coke ovens and by-product works, but these are in the main the property of concerns having iron and steel interests for which a supply of metallurgical coke is required. Moreover, these ancillary undertakings have not been regarded by the owners as forming part of the coal industry, though the Miners' Federation have repeatedly pressed for their inclusion.

Again, attention is called to the development of low temperature processes:

> It appears that if and when low tempefature processes can be developed on a big scale the products it yields will be especially valuable, including as they do fuel oils, which could to a great extent, and perhaps entirely, serve as a substitute for oil now imported, lubricating oils, rich gas, other by-products, and a smokeless fuel which can be burnt in the ordinary grate, thus replacing the wasteful, dirty, and unhygienic practice of burning raw coal.

Again;

> In combination, as a great fuel mining recovery, utilizing and selling agency, the calculations given. . . would indicate the possibility of obtaining residual fuel for the power plant at a mere nominal cost, provided all the profits above fixed charges arising from the combination coal handling and treatment were considered as reducing the cost of the residual fuel.

Again:

> The generation and transmission of electric power on a large scale or in other words on the only efficient and economical scale, involves the conception of a pool of power from which the entire community may draw its supplies.

Let me repeat that:

> The generation and transmission of electric power on a large scale or, in other words, on the only efficient and economical scale, involves the conception of a pool of power from which the entire community may draw its supplies.
>
> Technical experts agree that such power zones are essential to efficiency and economy. It is clear that only a scheme of a national character can meet such a need. A multiplicity of small undertakings, as at present, necessarily means waste, inefficiency, high costs, and high prices, with consequent low power consumption and industrial stagnation.

And this is the conclusion, and I may add that this is the conclusion that within the next few weeks will be driven home upon the people of Great Britain;

> Labour suggests that the coal industry should become an organization for mining coal, manufacturing electrical power on a very large scale, making both coke and smokeless fuel, and producing, in addition, gas, fuel oils, ammonium compounds, chemical base materials from tars, and other by-products. This transformed industry should be nationally owned.

That is the point, I suppose, where a great many members of this House would differ from the conclusions of the labour people of Great Britain, and from the conclusions of the labour people of this country, but that is our policy, and since we are here to advocate that policy, we must take every opportunity of impressing it upon the public.

I recognize, Mr. Speaker, that in Canada the situation is somewhat complicated by the division of powers as between the provinces and the Dominion. Our natural resources, generally speaking, under the British North America Act belong to the provinces. I would however, point out that in Manitoba, Saskatchewan and Alberta they still come under the administration of the Dominion. Even the natural resources, however, that are under Dominion administration are taken care of in a rather haphazard, or at least in an ununified fashion; for example, while the natural resources in the provinces are under the control of the Minister of the Interior, we find that the water-powers on canals are under the control of the Minister of Railways and Canals, and there are certain water-powers on the Ottawa river, for instance, which belong to the Dominion, and which are under the control of the Minister of Public Works. Here, we see very clearly the need for a better co-ordination. Why should not all the water-powers be under one department, and not scattered through three different departments? But whilst, in a general way, the provinces have control of the natural resources, I would also point out that the British North America Act definitely makes provision for the control by the Dominion of certain public undertakings even although they are entirely situated within the bounds of any one province. Section 92, subsection 10 (c) of the British North America Act reads:

> Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

These may be definitely placed under the control of the Dominion. In a number of instances advantage has been taken of this section of the British North America Act. We had an illustration about two years age in connection with the levels of the lake of the Woods, where, although the power was entirely situated within the province of Ontario, the

control was taken by the Dominion government on the ground that the works were for the general advantage of Canada. I would submit, Mr. Speaker, that in the future we ought to see the extension of the powers of the Dominion over works of this character. There is no reason, even under the British North America Act, why this should not be done.

But after all why should we forever be tied down by technicalities? I know there are a very large number of gentlemen in this House who have had a legal training, and I know that it is difficult for them to get away from the spell of precedent. But I submit that we cannot forever be held back by obsolete legislation. The whole of our power development in this country, in fact all over the world, has come within the last sixty years, in the electrical field largely within the last twenty-five years. If the British North America Act makes it difficult for us to organize our community life in this day and generation, surely it is time that we should revise that act. The fact is that with regard to electrical development you cannot arbitrarily follow provincial lines. For example, in the case I cited a few minutes ago, that of the lake of the Woods control, we have an interprovincial situation. Ontario is concerned and Manitoba also, even although the power is entirely in the former province. Further than that, not only are the two provinces concerned, but the United States is also concerned in this matter. So here we have an interprovincial interest and also an international interest. Therefore you cannot, as I say, arbitrarily follow the provincial lines, or even the national lines.

Let me give a simple illustration. We remember the old-fashioned dolls with which our sisters played when we were children. You could dismember the old-fashioned doll and put the head in one place, the arms in another place, and the legs in another place, and after all perhaps it did not injure the doll very much—the doll might lose a little sawdust and that was about all. Some people seem to consider this country as something like one of those old-fashioned dolls that you could dismember—one province being kept in a corner by itself, and another province in an entirely different corner, with no evil results. I submit that that may have been possible when industry and commerce were very much localized, but in these days, when intercommunication is so rapid and where industry, commerce and finance are so highly organized the country is not at all like that old-fashioned doll, but rather it resembles the human organism. We know if we attempt to dismember a man we get into difficulties. We cannot cut off his arm and say that is no concern of the rest of the body; our national life to-day is of the nature of a highly developed organism. And so I urge that we ought to look at such matters as this from the standpoint of the Dominion at large, and not merely from that of any one province.

I suggest further that we should not even consider the coal industry and the hydro-electric development separately. Let me give an illustration that, perhaps, brings this home, at least to those of us who live in the west. In my own city of Winnipeg we have a hydro-electric plant, and in connection therewith a central heating plant. I may say that about one hundred of our downtown blocks are now heated by means of this central heating plant. We found that on occasion of any accident to the transmission lines it was necessary to have a standby plant, and we also found that when we had developed more horse-power than we needed at all times there was an off-peak load that could be utilized for other purposes. So our engineers and city council conceived the idea of combining this off-peak load and the standby plant, allowing one to supplement the other. The result is that we now have this central heating plant, and when we have water running to waste we turn it into electricity to heat the city. When we need the power for lighting purposes or power purposes we turn off that power and turn on the steam heating, and in that way we are able to run our plant twenty-four hours in the day. I would point out that in this case for part of the day we use the power resources of Alberta because we burn Alberta coal, and for the other part of the day we use power from Ontario, our hydro-electric. I think, perhaps, this will sufficiently well illustrate my point that you must not deal with the coal industry by itself and then with the hydro-electric powers by themselves—that in any thorough-going scheme they ought to be considered together.

It is not my intention to-day to discuss at any length what I may term the academic objections to public ownership. The other day the hon. member for Fort William (Mr. Manion) introduced objections that I think we have heard before. He dealt with the inefficiency or the alleged inefficiency, of public ownership. Again if I may draw an illustration from my own city, a few years ago we were paying 10 cents per kilowatt hour for our domestic lighting. At one time we had been paying as high as 20 cents, but for some time it had been reduced to 10 cents. As soon as

our own power plant was put in commission that figure was reduced to three cents, and the city hydro supplied the people with light at that figure. Then the private company's rates came down and it also supplied light at three cents. It seems to me that our hydro plant was as efficient as the privately-owned plant when for years they told us they could not supply it under 10 cents. We found we could supply it for ourselves at three cents, and my colleague (Mr. Heaps) reminds me that it has gone down to even less than that now. I think it was Senator La Follette in the United States who called attention to the advantages of public ownership. He had noticed that in crossing over Niagara bridge, from the American to the Canadian side, the same water running beneath the bridge, on the one side the structure was lighted by a private company and on the Canadian side by a public company, the Ontario Hydro Electric Commission. I have forgotten the exact figures but the charges of the private company were something like three times as high as the charges of the publicly-owned company. So much for efficiency.

The hon. member for Fort William also spoke of public ownership depriving men of the right of individual initiative. Now, I would submit that so far as the thousands of employees of a privately-owned company are concerned, in comparison with the thousands of employees of a publicly-owned utility, it does not make much difference. The companies are organized much along the same lines, so that there are only a few individuals in any case that are concerned when it comes to a matter of the development of private initiative. It may possibly be that Sir Herbert Holt may develop a higher initiative than could Sir Adam Beck, and yet I venture to say that fifty years from now Sir Adam Beck will be remembered; he will be remembered long after Sir Herbert Holt has been forgotten. Possibly however Sir Herbert Holt's schemes may prove the very surest way for the development of the public ownership of the power resources of the province of Quebec.

It is not my intention to go into the question of the coal resources of this country at any length. I would like to point out, however, that owing to the peculiar location of our coal mines, in 1924 the total consumption of coal in Canada in millions of tons was 29.5. The total Canadian coal consumed in millions of tons was 12.5. That is, the difference supplied by importations from the United States and Great Britain in millions of tons was 17. Canada is said to possess the second largest coal reserve of any country in the world. This is shown by the following table which I will put upon Hansard. The figures are taken from the Coal Reserve of the World by McInnes, Dowling and Leach, and show that we have coal reserves, to the extent of 1,358,165 millions of tons. The table is as follows:

Coal reserves Reserves in millions of short tons (2,000 lbs.)				Special analysis of Canadian reserves			
Class	Canada	United States	Whole world	—	East	West	Total
Class "A"— Anthracite or allied coals....	2,380	21,692	547,524	Actual..... Probable... Total.....	....	745 1,635 2,380	2,380
Classes "B" and "C" Bituminous coals.....	312,593	2,154,984	4,201,044	Actual..... Probable... Total...	2,411 8,466 10,877	29,723 271,993 301,716	312,593
Class "D"— Sub-bituminous coal and lignite...	1,043,192	2,053,524	3,303,535	Actual..... Probable... Total.....	..... 28 28	422,234 620,930 1,043,164	1,043,192
Grand total.....	1,358,165	4,230,200	8,052,103	.....	.....	.....	1,358,165

United States possesses 52 per cent of the world reserves
Canada " 16 per cent of the world reserves
Of Canada's resources 77 per cent are in the form of sub-bituminous and lignite coals Class "D".

There is no lack of coal in this country.

Now, turning for a moment to the other side of our problem, that of the water resources of Canada, I should like to give a few figures as supplied by the Dominion Water Power and Reclamation service, in a bulletin issued January 1, 1926, as follows:

The year 1925 witnessed the unprecedented increase in Canada's hydraulic installation of 718,984 h.p. bringing the total installation for all purposes to the imposing total of 4,290,428 h.p. or 465 h.p. per 1,000 of population.

The known available water power in Canada, from all sources and within the limitations outlined, is 18,255,000 h.p. for conditions of ordinary minimum flow and 32,076,000 h.p. ordinarily available for six months of the year.

Applying this the figures quoted above, therefore, indicate that the present recorded water power resources of the Dominion will permit of a turbine installation of 41,700,000 h.p.

The total installation to date in waterwheels and turbines throughout the Dominion is 4,290,428 h.p. In other words the present turbine installation represents only 10½ per cent of the recorded water power resources.

The table is as follows:

Available and Developed Water-Power in Canada

January 1, 1926

Province	Available 24-hour power at 80% efficiency		Turbine installation h.p.
	At ordinary min. flow h.p.	At ordinary 6-months flow h.p.	
1	2	3	4
British Columbia	1,931,142	5,103,460	414,702
Alberta	475,281	1,137,505	34,107
Saskatchewan	513,481	1,087,756	35
Manitoba	3,270,491	5,769,444	183,925
Ontario	4,950,300	6,808,190	1,784,842
Quebec	6,915,244	11,640,052	1,747,386
New Brunswick	50,406	120,807	44,631
Nova Scotia	20,751	128,264	65,327
Prince Edward Island	3,000	5,270	2,274
Yukon and Northwest Territories	125,220	275,250	13,199
Canada	18,255,316	32,075,998	4,290,428

The statement continues:

A study of the uses to which the water-power installation of Canada is put emphasizes the growing importance of central electric stations. The 4,290,428 h.p. at present installed throughout the Dominion is apportioned to the following uses: 3,466,422 h.p. or 80.8 per cent of the total in central electric stations for general distribution, for domestic, municipal and commercial lighting and power purposes; 481,971 h.p. or 11.2 per cent installed in pulp and paper mills. In addition pulp and paper mills purchase about 275,000 h.p. from central electric stations, making a total of nearly 757,000 h.p. used in the manufacture of pulp and paper. 342,035 h.p. or 8.0 per cent installed in industries other than central electric stations and pulp and paper mills.

[Mr. Woodsworth.]

The turbine installation in horse-power is commercial, 3,054,854; municipal, 1,235,574; total, 4,290,428. The table follows:

Developed Water-Power in Canada

Commercial and Municipal

Ottawa, January 1, 1926

Province	Turbine installation in h.p.		
	Commercial	Municipal	Total
British Columbia	404,607	10,095	414,702
Alberta	33,147	960	34,107
Saskatchewan	35	.....	35
Manitoba	94,800	89,125	183,925
Ontario	706,801	1,078,041	1,784,842
Quebec	1,728,411	18,975	1,747,386
New Brunswick	32,721	11,910	44,631
Nova Scotia	38,859	26,468	65,327
Prince Edward Island	2,274	.....	2,274
Yukon and Northwest Territories	13,199	.....	13,199
	3,054,854	1,235,574	4,290,428

I might add that a conservative estimate of the capital invested in Canadian water-power amounts to $815,723,890.

Now, Mr. Speaker, the reason I present this question to the House to-day is that we are just at the beginning of a wonderful hydro-electrical development, and while only 10½ per cent of our water-power resources are as yet available, it seems high time that we organized a scheme by which the whole of this available power would come under public control. In his book, Superpower as an aid to Progress, Mr. Guy E. Tripp, the chairman of the Westinghouse Electric and Manufacturing Company, states frankly that as soon as possible there must be a single, nation-wide, super-power system and that it must be privately-owned. I think all members in this House agree that, owing to the peculiar character of hydro-electrical development, it is necessary that this development should be highly organized. I agree with Mr. Tripp that there must be inevitably a single nation-wide superpower system; in fact, I think that it will be not only nation-wide as Mr. Tripp expects in the United States, but it will cover the whole continent. I look forward to the time when the Americans will be seeking not merely developments along the St. Lawrence or up the Gatineau, but away up on the reaches of the Nelson river. Undoubtedly there must be a higly centralized organization, but when Mr. Tripp tells us that this must be privately-owned, there is where I take issue with him, and it is here that the battle must be fought out in this country in the next few years. We have to-day a Dominion

Waterpower Act which establishes a statutory authority with the right to control, not only the power site, but all the land, works and operations necessary for developing and using the power. The difficulty is that our board which has charge of the administration of this act is content to secure information and in a general way to exercise supervisory control, but so far that board has never been instructed to go further than this. It is the practice of the Dominion government to lease power sites for thirty years and the claim is made that in this way we still have control over these water-powers. With the rapid development of electrical power that is taking place, thirty years is a very long time and long before the thirty year period is up we shall be glad ourselves to take control of these water-powers. I know there is provision in the act that this may be done, but we ought at this time to formulate our policies and consider whether it is well to continue to give leases for thirty years.

As regards the provinces that have control of their natural resources, the other day hon. members opposite were urging with regard to a matter of social legislation that it was time that the Dominion government called a conference of the provinces and that the Dominion and provincial authorities should work out a scheme together. If that is desirable in the case of a comparatively minor matter like old age pensions, it is surely highly desirable in the case of an important national affiair such as the control of our water-powers. I would urge upon the government that in the near future they take steps to call a conference of representatives of the provinces who would meet with the officials of the various departments of the Dominion government concerned, and that together they should seek to work out a centralized scheme for the establishment of a government super-power organization. I do not for a moment mean that the Dominion government would administer the whole of the development of these water-powers. The work is now being carried on in Ontario in a very satisfactory way and certain municipalities such as the city of Winnipeg are carrying on their own electrical power development very efficiently, but the whole field ought to be surveyed, and the possibilities fully developed. We ought to reverse our present policy of allowing private corporations to establish themselves by means of leasing our power sites, and we ought very definitely to outline a broad scheme by which the coal resources of this country could be developed in conjunction with our water-powers. Thus these wonderful resources which are now at our disposal would not pass into the hands of private corporations increasingly under the control of individuals resident outside of Canada. We have inherited wonderful potential wealth. I take it that the time has come when we should look not to the immediate, but rather to the more distant, future and conserve for succeeding generations these inherited resources.

Mr. W. F. MACLEAN (South York): Mr. Speaker, I am very much impressed by the speech just delivered by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I also regret the fact that the situation in Ontario is such that Ontario power interests have had to go outside of the province for a source of power for distribution within the province. I do not know where the blame ought to be laid, but I sympathize with the Toronto Telegram in its expression of dissent from what has taken place and that the province had been forced to go outside of the province for power when it might have been generated at home absolutely under the control and ownership of Ontario which has led the world in public-ownership development and distribution of power throughout the province. Still, there is some relief coming from a privately-owned company in Ottawa, and I cannot complain of that although there is a suspicion in Toronto and throughout the province that in some way privately-owned companies have been rather conspiring in that regard.

I want to say a word about the power situation in Great Britain. As a believer in public ownership I regret that Great Britain has not followed the example of Ontario and developed a great system of public ownership and distribution of power, generating the power in publicly-owned plants controlling batteries of steam boilers at the pit heads, and also owning the distributing plants which now run into millions, to cover a kingdom like Britain. Instead of that all that Mr. Baldwin's government has done is to say that they will encourage the generation of power by privately-owned companies and its distribution by privately-owned companies and lines, but under some kind of public control. That is a step in advance and I cannot blame them, but I regret that the scheme does not go further. England is in a situation today that she wants to avail herself of every opportunity and every resource she has in order to get back to normal.

4 p.m.

Having said that about England, I come now to our own province of Nova Scotia. I

read this morning a circular by the British Empire Steel Corporation of Nova Scotia, stating that they are imploring the government of Canada to subsidize the mines in that province in order to encourage the generation of coke and its byproducts and thus build up the mines and supply work for the people. Let me say to our friends from Nova Scotia that I will go so far as to endorse, as far as I can do it in this House by my vote, a subsidy from the Dominion to that province to take over not all the coal mines, but certain coal mines as publicly-owned propositions, to own and develop a steam plant for the generation of power from that coal for distribution throughout that province, and also a subsidy from the Dominion to the province for a large coking plant to produce all the byproducts of coal when being roasted for the production of coke. In that way a great industry can be built up. In order that it may be carried out as it ought to be carried out, I am not going to object to private enterprise going into it, but if we are to help I would favour that help coming from the Dominion to a publicly-owned enterprise in that province. Nova Scotia says that it is in a desperate state and wants to see its ports used. I am in favour of its ports being used, but if public help is to be given, it ought to be given to publicly-owned propositions.

The former speaker also referred to pooling interests. I am not going into the matter in detail to-day, but I hope to do so later on in this House. If you deal with the transportation problem, you must deal with it as a whole. It will not do to deal with railways and to neglect transportation now performed by waterways, nor the future transportation of goods by airways. In other words, if you want to deal with the transportation problem to-day, the world has moved so fast that you cannot solve it properly unless you deal with it from every angle. To build up our ports and railways you have to go further, you have to find out not only how you can improve transportation by dealing with your railways, but you must also deal with the three or four or more manifestations of transportation and pool them. To-day you must pool things if you want to succeed. It is only by employing them all that you can make any headway.

I had something to do with the dream of the Niagara power development. It was made fun of at the time and Adam Beck was almost called a lunatic and discouraged in every way; but our dream came true. Now, I have a dream similar to that described by the preceding speaker (Mr. Woodsworth). I agree with him that on the Hudson slope we have the greatest potential water powers in the world. The people of Canada own them, but there are men in the United States and elsewhere, men with vast financial resources at their back, ready to grab these great national assets. Long distance high tension transmission is coming very rapidly. We have these and other great potential resources of electric energy, some owned by the provinces and some by the Dominion, but as the hon. member for Winnipeg North Centre has said, we must get the necessary legislation to enable us to handle them. Our constitution, drafted sixty years ago, is rather an old-fashioned instrument, and we have not the means in our own hands of amending it. It will be said by some hon. members: You are suggesting separation from England. I am suggesting nothing of the kind. But I want to see the parliament of Canada made so efficient that it can deal with this and other problems as they arise. These great national problems we are not able to deal with under our present constitution. Last week, for instance, we found we were hampered in dealing with old age pensions. The same incapacity handicaps us in dealing with our power problem. All these questions broaden as the years pass, and this parliament should be in a position to deal adequately with our national problems, especially those which, solved in the proper way, will make life more livable for every Canadian citizen. Our opponents want to monopolize these vital public services for their own financial benefit rather than for the advantage of the people.

I agree largely with what the hon. member for Winnipeg North Centre said in connection with this question, and I have thrown out a suggestion to my friends from Nova Scotia. As one member of this House, I am ready to back up Nova Scotia in a publicly-owned development of her coal mines and the distribution of power generated by steam plants at their pit heads, the generation and distribution to be undertaken by the province as a public ownership enterprise. I wish to see Nova Scotia given a chance to work out this great problem right at home. Many of those who want the Dominion to aid such enterprises desire the aid to go to private individuals. I am not in favour of that, but I am ready to back up Nova Scotia to-morrow if she will go ahead and solve this problem on a public ownership basis. I would also like to see her go into the coking business so as to produce coke in sufficient quantities to ship to Quebec and to Ontario, for as I see it the fuel market of the central provinces belongs to Nova Scotia. I would not like

to see this developed as a means of private profit but rather in the direction of service to all the people, and for that reason I have trespassed on the time of the House for a few minutes in making these suggestions.

Capital is becoming so strongly entrenched that the legislatures of the country, whether provincial or Dominion, must take great care to protect the public domain. Fortunately no monopoly, however securely it may seem to be founded, is impregnable, for undoubtedly scientific development will eventually render many present types of machinery obsolete. The surprise of the world to-day is not what science is doing now but what it will be doing to-morrow, and what it will be doing to-morrow may be in the direction of scrapping the very things behind which capital has entrenched itself.

Mr. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, this resolution proposes:

> That, in the opinion of this House, measures should be taken to regain for the use of the people the coal mines and water-powers which are now being exploited in the interest of private corporations rather than for the needs of the people.

I submit, Sir, that in so far as Canada is concerned the coal mines and water powers which are now being "exploited"—I prefer "operated"—are being operated for the use of the people. There is a clear distinction between the views of the people in the province of which I represent a constituency and those of the people of Ontario. In our province we believe in developing industry by individual initiative, individual enterprise, individual management, under public supervision and control. I do not wish to precipitate a contest of opinion as to the merits of the hydro-electric services of Ontario and the hydro-electric services of Quebec, but if there were time and opportunity I think I could vindicate before any independent tribunal the opinion which we in that province entertain, that our services are cheap, stable and well managed and serve the public interest to an extent that has not yet been achieved in the province of Ontario. So long as the people of the province of Quebec entertain that opinion, I think it is expedient that they should be allowed to proceed along their own lines, pursuing their own ideals and accomplishing the results which they have in view, and which are very necessary for the prosperity of the industries of that great province. Therefore perhaps it is that the Fathers of Confederation in framing the British North America Act left property and civil rights within the control of provincial legislatures, so that the legislature immediately responsible to the people of each province could be guided by the opinion of that province both with respect to industrial development and to such developments as coal mines and water powers.

The situation of Canada at the present time is that the development of hydro-electric power and energy for lighting and power purposes in each of the provinces is controlled and directed and supervised by commissions appointed by the governments of those several provinces. There you have a very effective control. It is true that we have vested in the crown, as represented by the Dominion government, large water powers in the territories which undoubtedly are soon to be vested in the several provincial legislatures, but I will say that I do not believe any department of the Dominion government is more honestly and more efficiently managed, supervised and controlled than is the Water Powers branch.

Mr. WOODSWORTH: I quite agree.

Mr. CAHAN: I do not think in any developments which have taken place under the direction and control of that branch there has been one single bit of jobbery. If such has happened I do not know of it, and I know most of the developments which have taken place. Therefore it is far better to leave this matter to the control of the local legislatures and the local governments who, under the constitution, have that right. It is far better, because it gives to each legislature the right to represent the mentality of the people of that province. It so far has satisfied the people of Ontario in developing the Hydro Electric Power Commission, which is a local government commission. But you could no more procure the people of the province of Quebec to accept governmental ownership as well as governmental control and supervision, than you could induce them to accept the prohibition principles which are accepted in other provinces of Canada.

Mr. GARLAND (Bow River): Or women's franchise!

Mr. CAHAN: Nor women's franchise. That is a fair suggestion by my hon. friend.

Mr. MACLEAN (York): Will my hon. friend pardon me?

Mr. CAHAN: Yes.

Mr. MACLEAN (York): Has not the province of Quebec public ownership in the distribution and sale of liquor?

Mr. CAHAN: Certainly; it suits our circumstances, our conditions and our mentality, and we accept it. But simply because we have public ownership and direct control of the sale of liquors in the province of Quebec it does not mean that we should accept the Ontario idea as to hydro-electric ownership. Furthermore I will say to my hon. friend that I have lived in the province of Quebec for many years; I go back and forth from my home to my office, and I do not believe there is a city on this continent of similar size where there is less drunkenness and less evil results from the sale of liquor as it is sold than in the city of Montreal, where I reside.

I have an idea;—and I may say that I suggested it to my hon. friend who moved this resolution—one of those erratic ideas which may be perhaps peculiar to myself and a few others, but I have had some experience in hydro-electric development and the development of electrical energy by steam. Personally I am inclined to believe that in fifty years electric energy will be developed from some other sources than hydro-electric power, so cheaply as to make the investments of this country both private and public, in hydro-electric power almost completely worthless. We are on the eve of great developments in regard to the production of electrical energy. Look back, if you will; I was jotting a few notes with my pencil when my hon. friend was speaking. Up to 1855 on this American continent we used sperm oil for lighting purposes, and for certain heating purposes as well. At that time one might well have advocated government monopoly in the production and use of sperm oil. But in 1875 the use of gas for lighting purposes was introduced in the United States, and you might then have had exactly the same demand for a public monopoly of the production and use of gas for lighting purposes. In 1900 electric lighting was introduced, and since that time there has been in many districts municipal ownership of electric lighting plants. In other districts such plants are operated by private companies, but I venture to say that in the United States to-day, where private companies are operating under reasonably sound municipal or state supervision, you would not find the people adopting public ownership of lighting plants. Private ownership is more efficient and I believe it results in a cheaper service to the people all round. That is a matter which I do not wish to go into at length; it is an opinion which I have and which I could back up with ample statistics if there were time.

The development of these systems depends upon private initiative. The invention of the

tungsten-film bulb saved the United States at least one hundred million dollars a year, and we would never have heard of that if there had been a public monopoly of lighting. The initiative of the individual has developed these lighting, heating and power services to an extent which never could have been attained under public ownership, I am sure.

Mr. WOODSWORTH: May I recall to the hon. gentleman that we had a very fine type of wheat developed by a servant of the Dominion government.

Mr. CAHAN: Quite so, and as well might my hon. friend urge that the parliament of Canada make an appropriation to take over the entire wheat fields of the northwest, as to invite parliament to make an appropriation of $800,000,000 or $900,000,000 to take over the hydro-electric and steam power producing plants of this country.

Mr. GARLAND (Bow River): We in the west might not object to that.

Mr. CAHAN: While wheat is selling at present prices my hon. friend would undoubtedly claim a high price for his land.

Mr. GARLAND (Bow River): No more than a private individual would.

Mr. CAHAN: But if the public is to purchase those lands, I would suggest a delay of six or eight years until Russia begins to produce wheat again. If my hon. friend is then producing wheat he will be glad to go into another kind of crop, and only produce wheat for consumption at home rather than for exportation to countries where the price is regulated by the local demand.

Taken as a whole, the lighting and power services of Ontario are no cheaper than those of Quebec.

Mr. HEAPS: Would the hon. gentleman give us the amount the ordinary consumer has to pay in the city of Montreal?

Mr. CAHAN: I have not the figures at hand, but I have seen them a dozen times, and if it were important I would go into it, because I am thoroughly convinced that I am right. Furthermore, some references were made to the president of Montreal Light, Heat & Power Consolidated. It must be remembered that Montreal Light, Heat & Power Consolidated—in which I have no personal interest whatsoever except in the consumption of a small amount of light and gas each month in my apartment—paid $650,000 a year in federal income tax to the treasury of this country, while in Ontario there is not one dollar paid by the Hydro Electric system

to the federal treasury. Therefore, Montreal Light, Heat & Power, which I refer to simply because it is one of several power companies, pays in its municipal and other taxes an amount far greater than is paid by the Hydro Electric for similar public purposes to the municipalities or to the province of Ontario.

Again, talking about the taking over of coal mines! I understand the situation in England where, ever since electrical energy was developed by steam, they have maintained municipal lighting plants, and these municipal lighting plants are operated in every case by steam. I can understand why there should be advocated for England a national system, because no individual and no corporate company could now secure from the British parliament the rights which are necessary in order to consolidate those various plants, although individual initiative would do it far more efficiently and render a far cheaper service than could be obtained by governmental assistance or governmental promotion; there is no doubt about that. Therefore, it is now suggested in England that, near the mines, the refuse coal should be burnt up, producing thereby electrical energy for distribution throughout the length and breadth of that country in the zones in which these plants are operated, and that great work there can only be carried out by the government because it is impossible for a private company or a private individual to obtain the necessary legislation or to break down the municipal opposition which has been engendered to that scheme. But in this country we are in an entirely different position. I grant that the water-powers should be utilized for the uses of the people; I grant that coal should be utilized for the uses of the people; but they are being utilized for the people now, and as soon as the government of this country undertakes to take them over and develop them on the socialistic principle, and supply light and power throughout the length and breadth of this land by government agency, just so soon will you have that service characterized by a dishonesty and inefficiency which no longer prevails with respect to the local and private enterprise.

Mr. WOODSWORTH: May I ask if the coal mining industry has been efficient in either the eastern or the western part of this country?

Mr. CAHAN: I think that coal mining in Nova Scotia and in Alberta, about which I know something, is being done fairly efficiently. The great difficulty with coal mining in Canada to-day is that it is a seasonal occupation. I went through the strike in 1909 in Cape Breton; I was through it from beginning to end, and I came in contact with all the various opinions prevalent there. Last summer I had the opportunity of discussing that same problem with a number of very intelligent men from that province, and I believe—it is my individual opinion—that the difficulty in Cape Breton arises from the fact that the employment in the mines is not continuous and stable. I do not believe there is a miner in Cape Breton to-day but would accept a lower wage, and give a greater output per man, if he could be assured that, instead of being employed for only five or six months of the year in mining, he could be employed during the whole twelve months, save for an occasional holiday that might be necessary. That is the difficulty in Cape Breton, so far as coal mining is concerned. Change that from a seasonal occupation to a continuous occupation throughout the year, for which and during which the miners would be paid, a reasonable wage, and lower than they are being paid to-day, would be acceptable if the employment were continuous, and the difficulty would be largely solved.

But further—I am talking as an amateur who is interested in this subject, having jotted down some notes while my hon. friend was speaking—the chief difficulty does not arise out of the mining of coal; the difficulty arises out of the utilization of the coal after it is mined. What I mean in this: There is no more wasteful habit that could be possibly cultivated by the people of Canada than the burning of raw coals in their hearths, in their stoves, or for the production of steam power. If my memory is right, every ton of good bituminous coal sacrifices, when burnt in the oven, at the hearth or in the furnace, 11,000 cubic feet of gas, 9 gallons of tar, 25 pounds of ammonium sulphate, 2.08 gallons of pure benzol and .56 gallons of pure toluol, and if we could establish plants in this country for the production of coke, and use that coke for the production of heat and of steam, and utilize these by-products which are now wasted and sacrificed, the value of these by-products would cut down the price of coal for industrial purposes in this country to a point lower than it has been during the past twenty years.

There is the difficulty. It may be that, in order to utilize the coal, government assistance may be helpful along certain lines, but government acquisition and government management of the coal mines in the present political conditions of this country—I hardly

know what word to use, but it is practically impossible to do it honestly and efficiently under governments and under political parties as they are now constituted in this country.

Mr. MACLEAN (York): Does the hon. member say that in the administration of the Ontario Hydro Electric system there has been mismanagement or any kind of corruption? I say it is the best example in the world of the success of public ownership, and it has set the pace for all the private-owned companies in the world.

Mr. CAHAN: I was not talking of hydro-electric development, but of coal mines in Nova Scotia and Alberta. I am not casting any reflection upon the administration of the Hydro Electric in this province under the late management or under the present management, except to say that it is not so efficient and not so satisfactory in its results as we get from the operation and control by private companies in the province of Quebec. That is my opinion; my hon. friend is entitled to reserve his own. I was talking about the utilization of coal. Now there the government of the country might intervene and assist. Furthermore we are on the eve of still greater developments in the matter of fuel. There is enough fuel between Ottawa and Montreal, and I believe it will be developed within the next twenty-five or thirty years, in peat beds to permit of supplying at a much cheaper rate than is now being done the entire industrial needs of the western part of the province of Quebec and eastern Ontario. The fuel is there. It can be utilized and it will be utilized some day. It is not, I suggest, the duty of the government—especially the federal government which has no control of these matters of property and civil rights—to undertake the ownership and management of either water-powers or of coal. I suggest again, with regard to water-powers, that within fifty years we will develop electrical energy in such shape and form, and transmit it so cheaply and efficiently, as to render water-powers almost valueless. As to coal we should now attempt to utilize its by-products and save the millions that are going up in smoke every day in this country, save them as they are doing in the public interest in other countries, especially in Germany and in some parts of the United States. The time will come when private enterprise and individual initiative and invention will find some way of utilizing our peat so as to give us cheaper heat, cheaper power and cheaper light than we have at present through either of the other sources. Therefore, Mr. Speaker, I certainly am opposed to this resolution because I see no need for it. It would be suicidal if parliament adopted it and carried it into effect.

Mr. McLEAN (Melfort): Would the hon. member give us some idea of where we are going to get that cheap power in the future of which he speaks?

Mr. CAHAN: I gave my suggestion.

Mr. McLEAN (Melfort): Yes, but where are we going to get this power which is going to put water-power into the discard?

Mr. CAHAN: Well, I do not pretend to speak from a scientific standpoint but I will say this: If you had asked me five years ago whether we were going to have communication through the air by radio I could not have told you. I believe we are on the eve of developing electric energy from the air at a cheaper rate than electric energy has ever yet been developed. I believe that within twenty-five or thirty years at the most we will be able to utilize our peat beds to supply cheaper electric energy, if you will, but certainly cheaper heat which produces electric energy, than is now developed from the coal which we use.

Mr. A. A. HEAPS (North Winnipeg): I quite agree with the hon. gentleman who has just spoken that we are on the eve of very great and important changes in hydro-electric development. I quite expect to see, even within my own lifetime, some tremendous changes in that regard. I hope to see within the very near future—I fully expect to see it—the transmission of hydro-electric energy without the use of transmission wires. Experts are now getting very close to the point in their experiments where it will be possible to transmit electric energy for very long distances without the use of wires. When that comes about it will mean a tremendous revolution in hydro-electric development in all parts of the continent.

The previous speaker made one or two references which I cannot allow to pass unchallenged. He stated that under private ownership there is a certain amount of initiative which you are hardly likely to have under public ownership. I think I am quoting the hon. gentleman correctly. With that particular statement of his I am bound to take issue. I come from a city where we have quite a large hydro-electric undertaking which is entirely publicly owned and publicly controlled. There is no commission in charge

of it, it is controlled by the city council of Winnipeg. Before Winnipeg went into its own hydro-electric development the people of that city were paying 20 cents per kilowatt hour. The moment it became mooted that the city was about to develop its own electric energy and supply it to the people the price came down to 10 cents per kilowatt hour. When the civic hydro-electric development became an actual fact the city council supplied the people with electricity at 3½ cents per kilowatt hour. In addition to that there was a 10 per cent discount. Now the average rate of hydro-electric energy to the domestic consumer in that city is just slightly over two cents per kilowatt hour. There is no privately-owned concern on the continent which can compare in the matter of initiative with the publicly-owned utility of the city of Winnipeg. I say that because for a number of years I had some connection with it, being a member of the Winnipeg city council. In fact so enterprising is the management of this utility that the opponents of public ownership are always on the alert and always on the move to try and check the initiative which it displays at various times.

Now what have we done with this publicly-owned utility? I wish to say that we are even ahead of the city of Toronto in that regard. What is the use of a publicly-owned utility unless it can give better service than one which is privately-owned? I say that these publicly-owned utilities can and do give better service than privately-owned concerns no matter in what part of the country they happen to be. If they were not doing that there would be no publicly-owned utilities. Now, our own public utility in Winnipeg, in addition to giving one of the lowest rates of any prevailing on the American continent, has introduced the very latest developments in hydro-electric enterprise into the homes of the people. Housewives, who at one time found their work a drudgery, have experienced great relief as a result of the enterprise which has been shown by our hydro-electric system. I think I am correct in stating that there are more electric appliances used in Winnipeg than are to be found in any other city of the same size in any part of the world. In the city of Winnipeg there are several places where these electric appliances may be bought on easy terms by the people. Each year private corporations in that city have complained because the civic hydro-electric management can sell at a lower rate and give better service than private corporations.

What else have we done in Winnipeg? In addition to bringing about a most important electrical development there we have done something which no other city in Canada has done as yet. As the result of our electrical development Winnipeg has the first publicly-owned central heating system in the Dominion. There are approximately one hundred of the large buildings in the centre of the city which are heated from the central heating system, and perhaps it would be of interest to hon. members to find out how that came about. A few years ago Winnipeg was troubled very much by the storms which blew down the transmission lines between Pointe du Bois, where we get our hydro-electric energy, and the city. Accordingly it was decided to establish a steam standby plant so that at any time when the wires were down the city should not be without a continuous hydro-electric service. Following the establishment of that standby plant we installed a central heating system so that the boilers necessary for the steam standby plant could also be used for the purposes of a central heating system. The consequence is, as I have already mentioned, that a very large portion of the centre of Winnipeg is now heated by the central heating plant. What is more important than that is the fact that as a result of our having that plant in Winnipeg there are certain times of the year when we do not use even one ounce of coal to heat a very large portion of the city. The heating of these buildings in the centre of Winnipeg is done by hydro-electric energy which comes a distance of 78 miles over transmission lines, and by the white fuel, as we term it. We heat a very large portion of the city at times by the utilization of off peak power, when it would otherwise be necessary to use coal. Now no private enterprise in this country has gone as far with this form of public utility as the city of Winnipeg. No other city in Canada has a central heating plant attached to its electrical development and can utilize the off peak power to heat buildings. Hon. members tell us that under public ownership there is less initiative than under private ownership. One fact mentioned by the hon. member for St. Lawrence-St. George (Mr. Cahan) was that $650,000 was paid by the Montreal Light Heat and Power Company in income tax. I wonder where they got the $650,000? And when they paid that amount in income tax, I wonder how much their profits must have been for the year? If they had no profit, they would never have paid that money. But there is one thing, that where we have a publicly-owned utility, as we have in Winnipeg, or as they have in Ontario, if any profits are earned, those profits go to the consumer. In Montreal, if I remember my figures correctly—and I can be

corrected if I am wrong—the cost to the consumer is about twice as much as it is in the city of Winnipeg. In Winnipeg, which is about one-fifth the size of Montreal, our total revenue from the sale of hydro-electric energy amounts to approximately $2,000,000 per annum, and, assuming that three times the quantity of electricity is sold in Montreal as in Winnipeg, it would amount to $6,000,000. Hon. members can easily figure out how much more the people of Montreal are paying for their light, heat and power, and can understand why the private corporation in Montreal is able to pay $650,000 income tax. I might give one other instance in regard to what we call initiative. I sometimes wonder what hon. members mean when they use that word. It is rather a difficult word to try to understand, and one would think from what we hear, that it was only in private ownership that there was an initiative. In other words, I would understand it to mean that a man shows initiative when he is working for a private corporation in order that he might make additional gain or profits. I think I am correct in that assertion. But, Mr. Speaker, there are to-day professions where people study, give their energy, give the best that is in them and give their very life, where there is not one cent of profit to them. There are men practising in the medical profession who come under that category. It is one of the traditions of the men and women who work in that profession, who give of their talents, their skill and their lives, that they shall not receive one cent of reward for anything they may discover as the result of their own private initiative.

Mr. CHABOT: Hear, hear.

Mr. HEAPS: The men of the medical profession have for years laboured hard, and when they discover something of benefit to humanity, they give it to the world without any reward, except perhaps the honour or glory that is bestowed on the man or woman who makes the particular discovery. In recent years people have recognized, even in this parliament, the work of men like Dr. Banting, who discovered the insulin treatment for diabetes, and yet Dr. Banting and those who were associated with him did not have any reward in view when they were labouring to make this discovery. But men of the medical profession have laboured because they thought they might render a service to mankind.

An hon. MEMBER: They are not business men.

Mr. HEAPS: No.

[Mr. Heaps.]

Mr. GARLAND (Bow River): What about scientists such as Marconi?

Mr. HEAPS: Yes, many men have worked for the benefit of humanity. It has been a time honoured custom with men of that class that when they have discovered something they have never attempted to commercialize it. We all know and recognize that fact. Then if it is possible in the medical profession it is possible in other lines of activity as well. When hon. members say that under public ownership there can be no initiative, I think they have not given sufficient study to the meaning of that word in relation to public and private enterprise.

No hon. member in this House who understands the development of public utilities in this country or any other country can rise in his place and defend private enterprise. Why it was private enterprise that gave us the Canadian National railway. It was the muddle and mess that private ownership made of that undertaking that compelled the government to take hold of it. If private enterprise is so beneficial to a country, why did they not make a success of it before it came into the hands of the government? And now that the road is in the hands of the Dominion of Canada, if the people of Canada will allow the management to operate the road free from interference by individual members of this House and free from politics, it will be a success, the same as other public utilities have been.

Hon. CHARLES STEWART (Minister of the Interior): The resolution placed before the House by the hon. member for Winnipeg North Centre (Mr. Woodsworth) reads:

> That, in the opinion of this House, measures should be taken to regain for the use of the people the coal mines and water-powers which are now being exploited in the interest of private corporations rather than for the needs of the people.

I do not intend to detain the House more than a few moments, nor do I intend to espouse the cause of private or public ownership, but simply to point out some of the difficulties which we must meet in connection with a resolution of this kind. One of the first difficulties is that under the Act of Confederation those public utilities which are mentioned in the resolution remain under the control of the provincial government. But I agree with my hon. friends who have spoken that a great deal can be done to bring about uniformity in the mining of coal, for example, and uniformity in connection with the development of water-powers. The province of Ontario perhaps is the great, outstanding example of the utilization of electrical energy by public

enterprise, and has given the lead in that direction. There are other provinces which have not followed in their footsteps up to the moment, but Ontario is the outstanding example of the development of this public utility under provincial government auspices. The federal government controls the natural resources of the three prairie provinces. In Alberta we have coal mines carried on to a very considerable extent and in the other provinces we have the development of water-powers. I intend to speak only of what the federal government has done in this connection. As the hon. member for Winnipeg North Centre has pointed out, the federal government no longer sells our natural resources; it issues leases which carry very strict provisions for a certain number of years for the development of water-powers and the same thing prevails in connection with coal mines. The privately-owned coal mines in Alberta were disposed of years ago; none has been disposed of in that manner since 1907. The stage is all set, if needs be and if unanimity of opinion should prevail with the provinces for the development of coal mines, if you will, under public auspices. The same condition prevails in Nova Scotia where coal mines are owned by the provincial government and operated under private enterprise.

I want to speak for a moment of what we have been able to do in connection with the preservation of the forest wealth of the country. The same condition prevails. The provincial governments, with the exception of the three prairie provinces, own and control their forest wealth. In my attempt to get uniformity of action I found a great deal of suspicion abroad in the minds of the provincial authorities, and I admit that the feeling is sometimes too prevalent that there is a desire on the part of the federal authorities to interfere with provincial rights. The provincial authorities are always jealous and suspicious of their provincial rights and perhaps they have a right to be. But in the case of forestry we simply had to mention the fact that more forest wealth was being destroyed in Canada by fire and insect pests than we were manufacturing and selling in the finished state and we were bound to take some action hoping in some way to stem that devastation of our forest wealth. We began to approach the problem three or four years ago from the angle of inviting annually to conferences representatives of the provincial governments. We have accomplished a great deal in this way and we have learned a great deal from the provincial officials. But what we are aiming to do and will have done within a very short period is to have a uniform system of cutting from one end of Canada to the other. We have not accomplished as much as we would like to do, but we have made splendid progress in that direction and I think we are at the stage now where we can change our own system of forestry. In other words, we can take the control of cutting which formerly was under the Timber branch of the Department of the Interior and put it under the control of the Forestry branch. Let me mention one recent lease issued in Manitoba for cutting pulpwood. In that lease provision was made for reforestation of the area as it was cut. In other words, the cut will be over a period of twenty-five years under reforestation regulations which will renew the growth in twenty-five years so that you will have a perpetual forest for the maintenance of the mill. These are some of the things we have been able to accomplish by the simple expedient of getting representatives of the provinces to meet with the federal authorities and to agree on a uniform system of handling this great natural resource of Canada.

I believe a great deal could be accomplished in the same way for the coal mines. Very few of the provinces are selling their water-powers in toto to-day; they are nearly all leasing them, and probably the day will come when the provinces themselves will think it is good business to operate their water-powers and electrical systems as Ontario is doing and as the federal government is doing in a much larger way in the operation of the Canadian National Railways. The primary object behind anything I have been advocating or been able to accomplish in this connection is to conserve to the people who come after us this great natural wealth which we own in such abundance in this country. We know beyond question of doubt that coal is being mined to-day in a most extravagant manner and we are making examination into a better method of coal mining in order that that natural resource may not be dissipated at such a rate as it is going to-day.

Something has been said—and I think a great deal more may be said—upon the subject of investigation and study of better methods for the conservation of our natural resources and the manufacture of them. We have in the departments of the federal government—and the same thing is true of the provincial governments—a body of men who are zealously carrying on this work. More and more our attention is being directed towards it; more and more research work is being carried on, and while we spend a great

deal of money for example in an endeavour to utilize low grade coals in the Saskatchewan area and have been criticized for that expenditure, much progress has been made in the solution of that problem.

The same thing may be said of peat which the hon. member for St. Lawrence-St. George (Mr. Cahan) mentioned this afternoon. The government of Ontario and the government of Canada by joint action have developed machinery whereby peat can be manufactured economically and sold as a fuel in this part of the country. True, you cannot ship it any considerable distance, but we know how the work can be done. The company who undertook to finance this plan have encountered some difficulties, largely because of the unsympathetic attitude of the people with respect to the manufacture of this fuel, and naturally it has the antagonism of the coal men. All these factors tend to make the matter somewhat difficult, but if we have in mind all the difficulties that are in the way, I think the main function of the government in working towards this end that is so eminently desirable, is to carry on these investigations. We are carrying them on in a number of ways. One discovery that has been mentioned, the value of which nobody can estimate even in millions, is that of Marquis wheat. At the moment an investigation is being carried on for the purpose of discovering if possible how to eliminate the recurring seasons of rust that strikes the wheat crop of western Canada and indeed the wheat crop of eastern Canada. At least fifty or sixty important investigations are going on at the present moment, all with a view to the better utilization of our natural resources, to the prevention of disease, to the discovery of new methods of utilizing the natural products of the country, and at the same time you will have an enlightened and educated public opinion so that, after the demonstration of public administration of our National railways and public administration by the Hydro Electric of Ontario, you will not have any difficulty in persuading the various provinces to join hand in hand in bringing about public ownership of our water-powers and coal mines. That is my candid opinion and I rather welcome a discussion of this kind because it focuses public opinion upon what has been done and the possibilities for the future. The discussion will not have been in vain, but I do say that the success at Winnipeg, the success of the hydro development in Ontario, the success of the Canadian National Railways will all tend—

[Mr. C. A. Stewart.]

Mr. MACLEAN (York): And the Toronto street railway system.

Mr. STEWART (Edmonton): If you will. Generally speaking, I am bound to say that public ownership has proven to be successful and in the best interests of the consumer; and after all, he is the patient, burden-bearing individual of this or any other country, and his interest is but too frequently lost sight of.

Mr. DEPUTY SPEAKER: Is the House ready for the question?

Mr. STEWART (Edmonton): Mr. Speaker, I fail to see how the House can very well divide upon this question without doing some damage to the very pleasant relations now existing between the provinces and the federal government with respect to these matters. As I have tried to point out, there is always the fear that we are encroaching upon the prerogatives of the provinces. I would be very glad indeed if my hon. friend would withdraw his motion, the discussion having served the purpose for which he introduced it. But if he presses it to a division, personally, while I am thoroughly in accord with public ownership, I do not want to get in the position of serving notice on the provinces that they must do certain things or this government will interfere with what are clearly provincial rights and provincial duties.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I would not have risen but for the rather uncertain note in the last sentence of the Minister of the Interior's speech. He seems to think there is some special reason why the House should not divide on this motion, that it would be perhaps in the nature of an affront to provincial governments if we were to pass it. Well, I do not know whether that result would come or not; I do not see why it would. But whatever the consequences, the resolution has no terrors for me. I cannot see how anybody with any appreciation at all of the situation in Canada would dream of voting for the motion that this government, this parliament should take steps to become, I presume the owners,—we are going to regain them in some way or other—of the coal mines and water-powers of this Dominion so as to operate them for the use of the people. I do not know that we would require to discuss the general merits of public ownership as opposed to private ownership. I am in favour of both. Each has its sphere. But if the discussion would be appropriate on another occasion, it has no application here.

Whatever we are going to publicly own and operate, we are not going into the provinces to take provincial property and tell the provincial authorities that we intend to expropriate it from them and operate it ourselves. If we intend to extend the sphere of public ownership, surely we are not going to start first into property owned by the provinces, which they are quite at liberty to operate if they desire. It would be much better to start at something over which we have jurisdiction. There is a time and place for all things under the sun. There is a place for private ownership—a big place—and there is a place for public ownership; just where the line should be drawn is a question. It would be presumption, it would be folly, it would be madness for the parliament of Canada to indicate its intention to take over the coal mines of Nova Scotia, owned by the government of that province; to take over the coal mines of Alberta which are now, or are soon to be, I believe, the property of the government of that province. Whatever else we do we will surely not do that.

Mr. WOODSWORTH: I wonder if the right hon. gentleman will permit me to say that I do not think he was present when I stated my idea of this resolution? Had he been, I do not think he would express himself as he has.

Mr. MEIGHEN: I do not know what is the hon. gentleman's idea of the resolution; I was speaking of my own idea of it, and I was gathering that idea from the wording of the resolution. How are we going to take measures "to regain for the use of the people" the coal mines of Nova Scotia? How could we regain them unless we took possession of them any more than they are regained to-day? The same would apply to the coal mines of Alberta; and likewise to all the water-powers. Our water-powers are pretty well understood to-day to be wholly within provincial jurisdiction. There has been some question as to certain of them—

Mr. STEWART (Edmonton): That is only—

Mr. MEIGHEN: In regard to canal development.

Mr. STEWART (Edmonton): Yes.

Mr. MEIGHEN: I say that water-powers are well understood to be within provincial jurisdiction. If we are anxious, if we are pining, if we are really suffering from over-ambition to extend our public ownership activities at this time, there are many spheres into which we should step before we dictate to the provinces as to how they manage their own resources. Therefore without fear of offending anybody, without the slightest difficulty at all, I would vote against the resolution. The hon. member who moved it may have another interpretation, but I cannot conceive of any other interpretation consistent with what is the well understood division of rights and responsibilities in this country between the provincial and the federal authorities.

Mr. DEPUTY SPEAKER: If no other hon. gentleman wishes to discuss the resolution the hon. member for Winnipeg North Centre has the right to reply.

Mr. WOODSWORTH: Mr. Speaker, I do not think I have anything to say in reply, and in deference to the suggestion of the Minister of the Interior (Mr. Stewart), with the permission of the House I shall be very glad to withdraw the motion now that the discussion has taken place.

Mr. DEPUTY SPEAKER: Has the hon. gentleman leave to withdraw his motion?

Motion withdrawn.

TRANSCONTINENTAL RAILWAY

MOTION TO REMOVE FREIGHT RATE DISCRIMINATIONS AGAINST THE PORT OF QUEBEC

Mr. M. N. CAMPBELL (Mackenzie):

That, whereas, the Transcontinental railway was built for the purpose of providing the shortest possible route to the sea for prairie products as well as to develop the ports of Quebec and the Maritime provinces by facilitating the handling of those commodities by an all Canadian route; and

Whereas the fulfilment of this purpose has been prevented by the imposition of exorbitant and unjustifiable freight rates; and

Whereas the port of Quebec has exceptional advantages as a shipping point for export cattle, which advantages are lost to the grower owing to the impossibility of making up mixed cargoes in the absence of a steady supply of grain for export; and

Whereas it is desirable that the largest possible amount of this traffic should be diverted to Canadian ports, in order to maintain the purity of our grades in the interest of the producer as well as to develop our own seaports; and

Whereas appeals to the proper authorities, in this regard, have been in vain.

Therefore be it resolved that, in the opinion of this House, freight rate discriminations against the port of Quebec should be removed and grain should be transported over this particular route on the same mileage basis as that applying from prairie points to the head of the Lakes.

He said: Mr. Speaker, in presenting the resolution which is now before the House I do so only because I feel that the time has now arrived when a question of such tre-

mendous importance as the one involved should be settled once for all. In each of the sessions of the last parliament I brought the question of the rates over the Transcontinental railway to the attention of this House. In each instance the matter was received by the government so favourably and so sympathetically that I was encouraged in the hope that something would be done. But in spite of the pressure in this House and throughout the country, nothing whatever has been done to remove an injustice which is a serious handicap to the greatest of Canada's industries, and a fruitful source of discontent in important sections of this country.

To put the case succinctly, in 1903 the construction of the Transcontinental railway was undertaken by the Dominion government, the ostensible object being to provide the shortest possible route to the sea for prairie products, as well as to retain in Canada the movement of our grain and other products to Canadian ports. In spite of the fact that more than $170,000,000 has been invested in this project, it is not being used for the purpose for which it was constructed. The movement of grain to Quebec and the Maritime ports has been prevented by prohibitive rates.

By way of review of the circumstances connected with this matter I may perhaps repeat a good deal of what I said in this House on previous occasions. Older members will pardon me and will perhaps overlook the repetition, which is for the benefit of those who were not here during the last parliament. Armstrong is a point on the Transcontinental railway due north of Fort William and Port Arthur, and for the purpose of comparison in regard to rates it may be taken as the equivalent of these two points. The distance from Armstrong to Quebec is 959 miles, and the present rate on wheat between those two points is 20.7 cents per bushel. This rate is entirely out of line with the prevailing rates from prairie points to the head of the lakes. As an instance of this I may quote the Edmonton to Port Arthur rate of 15.6 cents per bushel, although the distance is 1,305 miles. On the basis of that rate the rate on wheat from Armstrong tc Quebec should be about 11 cents. I am quoting these figures only from Armstrong because the present rates on wheat to the head of the lakes apply to Armstrong, and consequently the discrimination applies only from there to the sea.

Under existing rates the only times grain goes forward through Quebec is after the close of navigation in the fall, or when there is a congestion at the head of the lakes. When grain is moved under these conditions the farmer receives about ten cents per bushel less for his wheat than the price to which he would otherwise be entitled. If this were the only grievance of the western farmer in this connection it would perhaps not be worthy of discussion here. The farmer's interests are prejudiced, however, during the whole season when grain is being moved by water from the head of the lakes. In explanation of that statement I may quote a few figures showing the cost of moving grain from the head of the lakes to Montreal by water. For the shipping season of 1921 the average cost of transportating wheat from the head of the lakes to Montreal, via Port Colborne, was 12.6 cents per bushel. In addition to that there was an insurance charge of 0.6 cents, or a total of 13.2 cents. The average for 1922 was 13.72 cents, plus 0.6 for insurance, making a total of 14.32. Had the 11 cent rate been in effect at that time it would have saved the farmers of the prairie provinces a very large amount of money. In 1921 our grain could have been delivered at Quebec by rail for 2⅕ cents per bushel less than it was moved by water, and in 1922 for 3⅓ cents less. Taking the amount of grain shipped from the head of the lakes in 1921 and 1922, an 11 cent rate would have saved the western farmers $7,273,000 in 1921 and $8,621,000 in 1922. In this case I am comparing Quebec and Montreal, taking the figures at which our grain could have been transported by rail to Quebec. The figures are hardly fair to my case, however, because Quebec is 180 miles further down the river than Montreal, and there should be, under normal conditions, a very much lower insurance rate from Quebec than from Montreal, because I am given to understand that a large percentage of the insurance rate from Montreal to Liverpool is based on the risks of the St. Lawrence river.

When we come to the succeeding years of 1923, 1924 and 1925, it is true that in those years the average cost of moving our grain from the head of the lakes by water to Montreal was less than this 11 cent rate. In 1923 the average was 10.91 cents; in 1924 it was 8.99 cents, and in 1925, 9.04 cents. In each of those years the grain was moved to Montreal at less than it could have been moved to Quebec by rail at the rate I have suggested. But I would like to point out that in each of those three years there were certain months during which the rates were considerably higher than the 11 cent rate. In May 1923, for instance, the average rate was 12.10 cents, and in October of the same year it was 12.61 cents. For the month of April, 1924, the

average rate was 11.71 cents. During 1925, while the average rate was only 9.4 cents, we had a rate of 12 cents in the month of September, a time when navigation was open, when there was no ice and no extra insurance risks. Due to the scarcity of shipping and the fact that the shipping companies take advantage of such conditions, the rate went up to 12 cents per bushel. In the figures I have been quoting I have not included the grain ground in Canadian mills and shipped as flour. Neither have I taken into consideration grain moved by rail from the head of the lakes, so the actual loss to the farmer would be considerably more than the figures given.

I am not assuming, of course, that if this 11 cent rate were put into effect all the grain would move by rail to Quebec. But the assertion cannot be challenged that the imposition of such a rate would immediately create a maximum rate for lake and rail transportation, beyond which the rate on the lakes would never go. That statement, I am sure, will not be seriously challenged, and in presenting the case from the standpoint of the western farmer that is perhaps the most important aspect.

Again, with regard to the request that the rates be reduced to the prevailing rate to the head of the lakes, it can hardly be questioned that this is a fair rate, because the grades between Winnipeg and Quebec are very much more favourable; that is, the average tonnage one engine can handle, according to my figures, is 23 per cent greater than can be handled from Winnipeg to Port Arthur over the old main line. In other words, if the present rates for carrying wheat from Winnipeg to Port Arthur over the old main line are profitable to the railway, the profit should be 23 per cent more so in handling the grain over the Transcontinental railway, at the rates I have suggested.

It may not be necessary to deal with the question whether or not the present grain rates are profitable to the railways. That is sometimes brought into the discussion, but I think no one examining railway statistics will seriously contend that these rates do not allow both our railways a substantial profit. If one examines these railway statistics he will find that as soon as the grain begins to move in the fall the net operating surplus increases tremendously, and that it is reduced as soon as the grain-moving season is over. So I think the assertion that the railways are not making a profit at present rates cannot be defended. For the years 1921 to 1925, both inclusive, the amount of Canadian wheat shipped by water from the head of the lakes was 1,050,000,000 bushels, of which about one-half, or 556,000,000 bushels, went forward to United States ports. I maintain that with a fair grain rate over the Transcontinental railway, many millions of bushels of this wheat would have found its way forward to Quebec or Maritime province ports, leaving millions of dollars paid out in wages by our own railways, and, in addition, we would have maintained the purity of our grades, which are contaminated and seriously adulterated in the movement through United States ports.

There is another aspect of this question that affects us to a very considerable extent in western Canada, and that has to do with the cattle trade. I think it is generally taken for granted that no very considerable cattle trade can be built up at the present prevailing rates. It costs in the vicinity of $45 to transport a steer from Winnipeg to Liverpool to-day, and it is certain that we can never build up a very large cattle trade at such rates as that. There are exceptional facilities for handling cattle at the port of Quebec; we can handle them there much more conveniently, and save considerable money, than we can by shipping them to the port of Montreal. I might relate the case of a trial shipment made by the United Grain Growers of Winnipeg in 1923 to test out the facilities of the port of Quebec as compared with Montreal. It may be said of course that the distance from Winnipeg to Quebec over the Transcontinental is about 200 miles less than the regular route from Winnipeg to Montreal. In this particular case there was not only the saving of a great deal of time on the railway, but also a saving in feed and shrinkage, for when the cattle arrive at Quebec they are unloaded in the stockyards, which are situated right on the docks. This means a great deal to the shipper, because when the cattle are ready for the vessel they are driven directly aboard. At Montreal, on the other hand, the stockyards are about ten miles from the docks; the cattle have to be loaded up again in the cars, and as any cattle man knows, that is very hard on the cattle. The cattle have to be worried and abused, and it means a good deal of shrinkage.

Mr. MULLINS: I think the hon. member is wrong as to the distance of the stockyards from the docks in Montreal. I think it is no more than four or five miles, not ten.

Mr. CAMPBELL: I understood that it was about ten miles, but it is immaterial whether it is four or forty miles. The point is the cattle have to be loaded up again in the cars, and I am sure my hon. friend from Marquette (Mr. Mullins), who is a cattle man,

will agree with me that that is a very serious matter, and means a good deal of extra shrinkage. The men in charge of this shipment of cattle told us that after they had delivered them there, they estimated the actual saving in feed and shrinkage would be not less than $5 per head. Now if we can save $5 per head by shipping through the port of Quebec, it will mean a great deal to the cattle industry we are trying to build up with Great Britain. In this particular case the United Grain Growers were obliged to make special arrangements with a steamship leaving Montreal, and to pay a bonus of $600 to get her to put into the port of Quebec and lift these cattle. In addition, they paid the full Montreal to Liverpool rate, so when you take into consideration that the full rate from Montreal to Liverpool was paid, and in addition a bonus of $600, and that they figure it nevertheless paid them to use the port of Quebec, you can understand what advantages would accrue to the cattle industry if we were able to ship our cattle regularly through the port of Quebec.

I wish to quote from a letter that I received last year from the Vice-President of the United Grain Growers, giving me some facts and figures in connection with this shipment. In part he says:

> The approximate difference in the running time to Montreal and Quebec last year was eighteen hours.

That is, the cattle were delivered at Quebec eighteen hours earlier than they could have been delivered at Montreal. He goes on:

> Naturally, the longer cattle are on the cars on a trip of this kind, the more they shrink. Further, it would be possible in a case of making trainload shipments to go through to Quebec with two feedings instead of one. This is not only a saving in feed, but a saving in shrinkage, as it is generally recognized that repeated loading and unloading is, within certain limits, of more injury to the cattle than benefit.

But I would point out that until we have a considerable amount of grain or other merchandise going forward to Quebec, we are not able to use that port for shipping our cattle, as it is necessary to make up mixed cargoes, and that is what is bothering us. If this rate were reduced to about 11 cents I believe that a certain amount of grain, not perhaps any tremendous volume, but a certain amount would finds its way down to Quebec at all seasons of the year. This would permit the making up of mixed cargoes, and we could then take advantage of the exceptional facilities of the port of Quebec for shipping our cattle.

I wish to quote very briefly from an editorial in the Manitoba Free Press to show the opinion of that paper with regard to this question. It says that the Transcontinental was built particularly so that we could use it for the movement of our grain in the winter months, but it points out that this has never been done. It says:

> Except for a brief period in 1916, when the line was taken over from the contractors, practically not a single bushel of grain has been hauled over it. For one very good reason. The line could haul grain at a low figure, and when it showed how low it could, the government put the rate up to a figure which put the line as a hauler of grain out of business. The rate was raised 400 per cent.

Then it asks the question:

> Why not put the line to the use for which it was built?
>
> Why not put in a rate which will enable the large carry-over of the western grain this season to go out through Canadian ports instead of by Buffalo in the spring?

It concludes as follows:

> The people in Canada would, we think, like to find out just whose sheltered interests are so needful of protection at the hands of the railway commission that faith has to be broken with the people of Canada, that Canadian ports have to be starved of their legitimate trade, that $170,000,000 has to lie neglected, and that the port of Buffalo has to be built up? It is indubitably time for a showdown.

In a later editorial, dated December 17, 1925, I find this:

> We would not under-rate for a moment the formidable advantages of the Buffalo-American channel for wheat shipments. It will always be largely used. Canadian shippers would not consent to any abridgment of their right to use it at will. By why to its natural advantages add artificial encouragement by penalizing the use of alternative Canadian channels? Canada has been doing this, or permitting it to be done, for many years;

Further on it says:

> For years past Canadian grain has always been able to get a rate to Buffalo from one-quarter to one-half a cent a bushel cheaper than the rate to Port Colborne and other lake ports. Not very much; but just enough to turn an ever-increasing volume of Canadian wheat into United States channels.

It goes on to say:

> Twenty years ago the Dominion of Canada, to check this outflow of Canadian grain through American channels, and for the purpose of giving our own ports in the Maritime provinces a chance to get at least some of this business, embarked upon a great national railway scheme. It spent 170 million dollars in building a railway from western Canada to Quebec and then onward to the Maritime provinces. This road was built to carry western grain to Canadian ports at a rate which would permit competition with the American route.
>
> When the route was completed the government of Canada put into effect a rate on wheat which was intended to prevent, and did most effectively prevent, wheat being shipped over it. This prohibitive rate being brought before the railway commission received the approval of that august body. The then chairman of the commission said in effect that while the Transcontinental railway had been built to carry grain cheaply it must not be allowed to do so as this would disturb vested transportation interests.

The editorial goes on to say:

> Nobody wants to put any obstacles in the way of the free flow of our export grain by the American route. But in the name of common sense let us give the alternative Canadian channels a chance to compete.

Most of the arguments I have used would possibly apply to the Maritime ports; I do not know. I have not studied the situation from that angle. I am presenting the case from the viewpoint of the western farmer, and I leave to my hon. friends from the Maritimes the presentation of their side of the case. But there is in a broader sense a national angle to this question. I think, therefore, the House should seriously consider this resolution, and I hope that it will be accepted.

Mr. CAHAN: Was not the basis of the rates to Fort William the subject of an agreement originally made between the Canadian Pacific Railway and the government?

Mr. CAMPBELL: Yes, what is known as the Crowsnest rates, but that does not alter the fact. We are in a position to prove that the railways are making money handling grain at those rates, and there is no justifiable reason why similar rates should not be granted over our own road to the port of Quebec.

Mr. CAHAN: Does that not mean that the Crowsnest pass rates should apply over the Transcontinental as far as Quebec?

Mr. CAMPBELL: That is the request the resolution makes.

Mr. CAHAN: Then could the hon. gentleman give us a reliable statement to offset the assertion contained in a return brought down by the government to this House last year to the effect that the Canadian National carried grain from the west to Port Arthur and Fort William at a loss of $6,000,000 per year; that they carried it at $6,000,000 less than cost in 1923 and in 1924. I have not that statement with me, but I made a clipping from a report of the proceedings before the railway commission a few days ago in which it was stated that evidence had been given before that tribunal to the same effect. I am not combating the hon. gentleman's contentions at all, but if he has any figures which would show that this statement made in a government return and the statement made by witnesses about ten days ago before the railway commission are not accurate, it would help us very much, I think, in coming to a decision with respect to this resolution.

Mr. CAMPBELL: Perhaps the best answer I could give would be to quote the words of Sir Henry Thornton before a special committee of this House, I think two years ago. When he was asked about a certain rate and whether it was profitable or not, he said that any traffic officer could come and show quite correctly either a loss or a surplus in moving a certain commodity from one point to another point. That is, the showing all depended on how the figuring was done. I do not know how the figures to which my hon. friend refers were arrived at, but it is possible that they were reached by taking the interest on the whole of the capitalization of the Canadian National railway.

Mr. CAHAN: No, no, they were simply actual operating costs.

Mr. CAMPBELL: In figuring such costs consideration would have to be paid to the overhead. Let me say this: If the hon. member for St. Lawrence-St. George, or any other hon. gentleman, takes the weekly earnings as they are published in the press by each of the railway companies and follows them in the fall when the grain begins to move and upward until they have reached the peak, and then downward until the movement of grain disappears, he cannot but be convinced that the railways make money on handling grain. The net earnings are very small in the winter and spring, but they mount tremendously during the grain-moving months. A study of those figures must convince anyone that the railways are making money out of the handling of grain. In 1922, the first year the Crowsnest rates were in effect, both the railways showed very much larger profits than they had shown the previous year, notwithstanding the fact that they had to take these low rates. Then if you compare the predictions made before the special committee on railways that investigated the questiion of these rates in 1922 by the traffic officials of the Canadian Pacific and the Canadian National with the actual facts, you will be convinced that the statements of these officials are not to be taken very seriously.

Mr. J. K. FLEMMING (Victoria-Carleton): The hon. gentleman (Mr. Campbell) has presented a question of very great importance with marked clearness from the standpoint of the western provinces. This question affects very materially the prosperity and well-being of the eastern provinces and of our Maritime ports. It vitally affects also the railways because it relates to their traffic, and the conditions under which that business

is carried on will determine whether a profit or a loss will be made. The grain-growing interest in the west—and it is a great satisfaction to us from the east to observe that this interest has expanded in recent years and assumed such great proportions,—is handicapped by reason of the tremendously long haul by railway necessary to get to tidewater, and then the long ocean carriage involved in reaching the markets of the world. Hence the question of transportation is one of very great importance to this country. In my judgment it is one of national importance, and one that should be carefully studied by parliament with a view of arriving at a sound, sane Canadian national policy. Having concluded what that policy should be, we should press forward earnestly and determinedly in carrying it out.

It may not be inopportune to consider, even at some little length, the efforts that have been made during the years that have passed in connection with our transportation policy. We did not arrive at our transportation system as a result of one year or even ten years of effort. Fifty years ago and more we began the construction of a great transportation system in Canada when, by means of the Intercolonial railway the effort was made to bridge a gap of 500 miles of forest between the Maritime provinces and Quebec. That was the first step in the construction of a transportation system in Canada. We took a further step when, ambitious and courageous, if you like, we undertook years ago to finance the construction of a railway across the continent, to span the prairies, to cover the mountains, to reach the placid waters of the Pacific and to give us a Transcontinental railway when we had a population of less than 8,000,000. We went ahead with that project; in conjunction and co-operation with energetic, far-seeing men the work was carried out and the Canadian Pacific Railway was constructed. We saw the vision of a great national system of transportation when we began the expenditure of millions of money for a canal system; up to the 31st of March, 1925, we had expended $224,000,000 on that work, and it is now part of our transportation system.

We went still further; in 1904 the government of the day in its wisdom thought it necessary that we should, in furtherance of that ambitious and courageous policy, construct another Transcontinental line to connect by the shortest possible route the plains, the place of great production on the prairies, with the eastern seaboard and the ports of Quebec and the Maritimes. We spent a great deal of money on the project. Some people questioned the wisdom of that policy, but we have now got past the point of its being a debatable question; we have made the expenditure, we have the railway, and we have to face conditions as they are.

We have gone on building up a great transportation system in the country, with one purpose in mind, seeing it from only one point of view, namely, transportation of the products of the west to the eastern seacoast, to give employment to our people, to make traffic for the railways, and to build up business, not only in the west, where they needed transportation, but in the east, as well as to improve conditions at the eastern ports. We continued that policy, and we are forced today, after fifty years, notwithstanding the fact that we have been so courageous as a young country in spending this money, to say that the condition is not satisfactory. Facts have been given to the House in regard to the amount of our shipments of grain through Canadian Atlantic ports, through American ports and through western ports, and the whole consensus of opinion, the whole force of the figures, compel the admission that at the present time the transportation of our products is not proceeding in a satisfactory way and that we are not realizing the vision of the men who started the building of this great transportation system. Instead of our traffic going, as it ought to go, through Canadian channels to Canadian ports for shipment to the markets of the world, it is being diverted or switched off at a tangent to other railways in another country, thereby increasing the traffic on foreign roads and helping to build up the business of a foreign country. There is no occasion to cavil about figures; a million or two bushels do not count one way or the other; but it is an established fact that a very large proportion of the products of the farms of Canada, particularly those of the western prairies, is not finding its way through Canadian channels to Canadian ports but is being diverted through American channels to American ports.

Some figures which I gave in the House some time ago on this subject were questioned, and perhaps I should apologize to the House; my figures were absolutely correct except that I used the word "grain" when I should have said wheat. I am sure you will admit, Mr. Speaker, that in the case of a new member on his feet for the first time in the House of Commons the mistake was a pardonable one. I made the mistake, however, and I do not quarrel with the reporter, because I probably used the word "grain" when I should

have said "wheat." But my statement was entirely correct so far as it applied to Canadian wheat being shipped through Canadian ports and Canadian wheat being shipped through American ports; I was discussing nothing else and intended to discuss nothing else. I was making no reference to our shipments through Pacific Canadian ports. I always try and I always intend to try to be careful in any figures I give, and I was really concerned about it when my figures were questioned in this House. I knew I was on solid ground, because I had taken the figures from the report of the Royal Grain inquiry Commission; the exact figures will be found on pages 217, 203, and 204 of that report. The force of the argument, I say, remains unimpaired, because we were sending more than two bushels of our grain through American channels where one was sent through Canadian channels. That fact stands out in all its glaring intensity; we have to confront it, and we in this House should deal with it in some substantial way.

At six o'clock the Houses took recess.

After Recess

The House resumed at eight o'clock.

Mr. FLEMMING: Mr. Speaker, when the House rose at six o'clock I was referring to the great advance that had been made in in this country during the past fifty years in establishing and building up a vast system of transportation. I was trying to point out in my humble way the vision which the men who preceded us in parliament, the men who had to do with national movements in this country at the time of confederation, had of establishing in this land a great system of transportation which would run east and west and which would carry the ever increasing traffic of the western prairies along Canadian channels to Canadian ports in the east for shipment abroad. I said just before six o'clock that we had been disappointed in this transportation system that had been established at so great a cost, a cost of hundreds of millions of dollars; that it had failed largely to carry out the object for which the money was spent and the transportation provided.

In further evidence of that I want to give the percentages of shipments through United States and Canadian ports respectively for the years 1921, 1922 and 1923; and I am reading from the report of the Royal Grain Inquiry Commission the memorandum submitted by Mr. Scott at the request of the commission. He points out, giving the figures in bushels for the year 1921-22 and making a comparison between United States and Canadian seaports, that the exports of Canadian wheat in that year amounted to 74 per cent through United States ports and 26 per cent through Canadian ports. For the next year, the crop year of 1922-23, he gives the figures in bushels and I shall not trouble the House with them; but he again states the percentages: in that year we shipped 65 per cent of our grain products through United States ports and 35 per cent through Canadian ports. Coming down to the year ended 31st August, 1924, he gives the figures in bushels again, and shows that 66 per cent of our grain went through United States Atlantic ports and only 34 per cent through Canadian Atlantic ports. Those figures tell concisely the story of the failure of our great transportation systems to do the thing we had hoped they would do, its failure to accomplish for us the thing that would justify so tremendous an expenditure of public money in their construction.

The resolution presented this afternoon by the hon. member for Mackenzie (Mr. Campbell) deals with one particular part of the great transportation system, the Transcontinental railway. Nowhere else is the failure more absolute and complete than it is in connection with grain traffic on the Transcontinental railway system. The result is far from reaching the vision of that man of high ideals and noble purposes who conceived the idea of having the shortest possible railway route from the prairie provinces to Atlantic seaports, and it has failed entirely to justify the feeling that was held at that time, not only by Sir Wilfrid Laurier and his government but by this parliament and this country, that we would have at least one system of railway built to a high standard, with the best of grades, the best of curvatures, to carry successfully traffic from the west to the east. But it has failed, and I want to point out that there was no question in regard to the intention or the reason advaned for our making such a tremendous expenditure. Let us in this parliament consider that upon this one line of transportation, the Transcontinental railway, we expended over $165,000,000, and in addition to that we spent over $15,000,000 to build the Quebec bridge; in other words, more than $180,000,000 was spent out of the public treasury in establishing this line of communication. It was to do a great work, and that great work was set out clearly in the agreement made between the government

of the day and the Grand Trunk Pacific Railway Company. I am going to read a paragraph dealing directly with the particular matter to which I refer, being part of chapter 71 of the act of the parliament of Canada, assented to on the 24th October, 1903, containing the contract as it was executed between the government of the day and the Grand Trunk Pacific Railway Company. This is the section:

It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada—

That is, the $165,000,000 was granted; for what?

—for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels.

Note the words "the express purpose." That ought to be clear enough; it is the express reason why the government granted the aid. This is what the company agreed to:

The company accepts the aid on these conditions, and agrees that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada, be carried entirely on Canadian territory, or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ocean ports.

The company further agrees that it shall not in any matter within its power directly or indirectly advise or encourage the transportation of such freight by routes other than those above provided, but shall in all respects in good faith use its utmost endeavours to fulfil the conditions upon which the public aid is granted,—

Notice again that the company agrees in good faith to carry out the conditions upon which the public aid was granted,—

—namely,—the development of trade through Canadian channels and Canadian ocean ports.

The next paragraph also obliges the company to provide a steamship service in order that there shall not be advanced as a reason why they were unable to carry this grain through Canadian channels and Canadian ports to the markets of the world that there was no shipping available. They engaged to provide the necessary steamship service to supplement the land transportation.

Now, Sir, that agreement never went into effect. The Grand Trunk Pacific Railway Company failed to take the railway over and operate it. But what happened? As a necessity the government of this country, this parliament if you like, had to take its own property and operate it, and to-day it is part of the Canadian National system. I want to make this point as clear and forcible as I possibly can, that there surely rests upon the government of this country, upon the Canadian National Railway management operating this railway, as binding and stringent an obligation as the Grand Trunk Pacific Railway Company undertook when it signed that contract. There is surely no justification for saying that the Canadian National Railway management, operating that railway on behalf of the government and the people of this country, shall not carry out to the fullest extent the covenant which was entered into between the government of that day and the Grand Trunk Pacific Railway Company. If that is the case we must admit that there has been a most lamentable failure to do so, because the railway is not carrying a great grain traffic to the city of Montreal, to the city of Quebec and to the ports of the Maritime provinces. The reason is stated in the resolution of my hon. friend from Mackenzie, that the rates in force are "exorbitant and unjustifiable." Well, I always dislike being harsh and I am going to suggest to him that he strike out those words and insert the word "prohibitive." That word "prohibitive" exactly meets the case because the rates that have been applied are undoubtedly prohibitive. No traffic goes over the railway under those rates; no traffic ever will so long as they continue in force.

Rates have been established for the carrying of grain from the points of production in the west to Fort William for transportation by lake and rail or all water to Montreal or Buffalo, and at the latter port unfortunately a very considerable portion of the traffic finds its way out of this country. But the order in council which was passed in June, 1925, directs that the rates known as the Crowsnest pass rates shall be effective on wheat and wheat products. This is the paragraph of the order:

The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the grain growing provinces of the west, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products shall be determined and known; and therefore the committee are of the opinion that the maximum established by the rates on grain and flour as at present in force under the Crowsnest pass agreement shall not be exceeded.

I am not going to quarrel with the government of the day because they put that paragraph in the order in council, but I am here to ask this parliament in the most solemn and serious manner: Is there any justification for drawing the line north and south through Fort William and saying that from the point

of production to that point there shall be a certain rate upon grain, but east of that point the rate must be higher? I cannot bring myself to think there is any reasonable justification for any such arbitrary dividing line. I shall consider in a moment whether or not the statutory rate from the point of production to Fort William is too high, but before I give the House figures which I think are fairly conclusive on that point, I want to say that if that rate is too low, and if traffic cannot be carried with fair profit to the railways on that basis, then in all conscience the rate ought to be increased. But if it is high enough to give the railways a fair profit to Fort William, then the same rate ought to apply from that point east.

Now, Mr. Speaker, I have some figures which I think will help to answer the questions asked by the hon. member for St. Lawrence-St. George (Mr. Cahan) this afternoon in regard to the statement that grain was being carried to Fort William at a great loss to the railways. We have not access to the railways' books, and therefore in a sense we are not able absolutely to say whether or not that contention is incorrect, but we can get fairly good evidence that the rate does pay the railways, and the figures I now propose to present to the House will, I think, prove to be conclusive. I have taken the earnings of the Canadian Pacific Railway for 1924 and 1925 and of the Canadian National Railways for the same years, and I have separated the net earnings into three periods, namely, January, February, March and April; May, June, July and August; and September, October, November and December. The figures of the net earnings for these two years are really illuminating. We will take first the Canadian National figures. They cover only the lines in Canada, so the totals will not correspond with the net earnings for the entire system, which of course include the United States lines.

The net earnings of the Canadian National Railways for the year 1924 were as follows: January, $16,989.91; February, a debit balance of $768,681.03; March, $1,400,289.18; April, $748,879.44, or a net earning in the first four months of $1,397,477.50. Then for the next four months: in May a debit balance of $433,-895.23; in June a debit balance of $974,131.38; in July a credit balance of $324,318.38; in August a credit balance of $252,882.25, or for the four months' period a debit balance of $830,825.98. Now we come to the last four months of the year: there was a credit balance in September of $1,515,058.46; in October, of $4,161,149.48; in November, of $3,367,164.60, and in December, of $2,154,065.17, or for the last four months a credit balance of $11,197,-437.71. Those four months were the grain carrying months of the year. Out of a total net earning for the year of $11,764,089.23, $11,-197,437.71 was earned in the last four months of the year. I think that is good evidence that the grain carrying business was not a failure.

Then we come to the year 1925. The first four months were as follows: January a debit balance of $126,982.08; February, $146,380.07; March, $960,186.09; April, $556,117.31, or for the four months a net earning of $1,535,701.39. Then in May there was a debit balance of $191,731.98; in June a debit balance of $991,-763.63; in July a credit balance of $1,317,362.95, and in August a credit balance of $1,901,816.37, or for the four months a net earning of $2,035,-683.71. Then the last four months of the year; September, $3,206,367.87; October $7,305,-836.34; November, $5,620,743, and December, $4,141,387.07, or a net profit for the last four months of $20,274,334.28, against a net profit for the whole year of $23,845,719.38. The last four months of the year, when the railways earned over twenty million dollars as compared with earnings of only about three million dollars for the rest of the year, were the great grain carrying months. The crop was heavy last year; the trains were numerous, and according to the figures it was a profitable business.

Now I will refer to the Canadian Pacific Railway, because it helps bring out the point I am trying to make. In 1924 the Canadian Pacific Railway net earnings for the first four months were $5,477,308.65; for the second four months, $9,712,074.46, and for the last four months $22,348,017.96. The same thing applies to the Canadian Pacific as applies to the Canadian National. The grain carrying months of the year were the big revenue producing months. For the first four months of 1925 the Canadian Pacific had a net profit of $4,980,859.20; for the second four months $10,412,262.31, and for the last four months a total net earning of $26,554,611.58. I do not say that that entire increase during the last four months of 1925 was because more grain was carried, but I do say that although it is not absolute evidence it is the best presumptive evidence that the grain carrying business was a profitable part of their work.

Look at the figures for the Canadian National Railways; in the month of October 1924—the biggest grain carrying month of the year—they had a net earning of $4,161,-149.48, or more than one third of their earnings for the entire year. In October 1925, when thousands of bushels of grain were moving every day, the Canadian National

Railways had a net earning of $7,305,836, or almost one-third of the net earning for the whole year. I think that is fairly conclusive evidence that the carrying of grain is a pretty good business for both railways.

The complaint we have to make to-day is that the Transcontinental railway is not carrying any part of that profitable traffic; is not carrying grain at all. I should perhaps make an exception to that statement, to the extent that it may carry some grain from Winnipeg via Superior Junction to Fort William, but east of Fort William practically no grain is carried by the Transcontinental. I would like to point out one or two facts in connection with the earnings of the Transcontinental railway, because possibly it will surprise some members of this House, and certainly the people of this country, to learn the figures of its earnings and operating expenses. Mr. Scott in his memorandum dated Quebec, June 28, 1924, gives the figures, and to my knowledge they have never been questioned. He uses the term "last year." I am at a loss to know whether or not, he means the fiscal year ending March 31, 1924, but speaking of the Transcontinental, and of the fact that it was said to be going through a wilderness where there would be no local traffic, that all the traffic it could depend upon to make money for this country and justify its existence would be through traffic, he points out:

Its earnings were..	$14,139,136
Its expenses..	14,120,975
Surplus..	$ 18,161

And it did that without carrying grain traffic! I ask this House in view of the figures I have given, and which were largely the result of grain traffic, what would have been the result on the Transcontinental if it had been put to work and made to do the thing it was built to do, if it had carried millions of bushels of grain,—the express purpose for which it was constructed—in addition to the traffic which it did carry. The net result would have been that we would have had a railway showing a handsome surplus, able to help take care of some of the deficits on the railway west of Fort William. If my figures are correct, all that is required is to put the Transcontinental to work carrying grain at the statutory rates that are in force west of Fort William, and give it plenty of grain to carry, and then its earnings from that traffic, on top of its other earnings, will make it a splendid revenue-producing piece of property. Why should that road not be put to work doing the very thing for which it was built? Surely it is not because it starts from a point in Canada and carries traffic from the fertile prairies of the west over a splendid all-Canadian line of railway to Canadian ports, that this railway is not being used for the purpose for which it was constructed. Then what earthly reason is there why it is not being put to work for the express purpose for which it was built? I cannot conceive of the reason, Mr. Speaker.

We are told that if the statutory rates west of Fort William are made to apply east of Fort William, we shall have a rate war with the railways of the United States. I ask this parliament, in all seriousness: Are we to consider what action the United States railways may take when we are considering such a vital question as the transportation policy of this country? Are we to sacrifice the vision of the men who built this nation, of those who were here at its birth and laid the foundations better than they knew? Shall we sacrifice the vision of Sir Wilfrid Laurier and his party when they constructed the Transcontinental? I say no. Put the railway to work, to do the thing it was built to do.

I said that we should have in this country a sound Canadian transportation policy, a policy that will take our traffic from the west along Canadian channels to the east. That has been the vision of the great men of this country from confederation down to the present. We have heard a great deal during this session about the difficulties of the coal industry in Nova Scotia. Let me point out to the House that if you carry the grain and the cattle of the west by an all-Canadian route to Canadian ports on the Atlantic you will help greatly to remedy the coal situation in the Maritime provinces, and particularly the province of Nova Scotia. They have a market for their coal as long as they can ship it by water, but in the winter season, when shipment is no longer possible by the St. Lawrence, they cannot find a market for it, and that is the time of year when employment in the mines is lessened, when the mines run only two or three days a week, bringing hardship to the coal mining areas of that province. But if we would ship the products of the west to St. John and Halifax, vessels would be leaving our ports practically every day of the week carrying grain, and each vessel would require in her bunkers from one thousand to twelve hundred tons of coal. That would provide a local market for our coal—a market where there would be no question about transportation rates—with resulting great benefit to the coal industry of Nova Scotia.

I said that the carrying out of this sound Canadian policy would bring business to the east. The revival of business and the stimulus that would be given by this traffic would be very great, and it would be felt in many ways. Let me give you an illustration. The arteries in our body carry the life-sustaining, strength-producing blood to every part of the human system, and so, in a similar way, our railways and our canals are the great arteries through which should flow in undiminished, yea, in ever increasing quantities, the life-giving commerce of this great country. Going a step further with the simile, if one part of the human body fails to receive the life-sustaining, strength-producing blood, what will happen? That part of the body will become weak and unable to perform its proper function. It is exactly the same with our transportation, and that is just what has happened, Mr. Speaker. We take the increasing commerce of the west and carry it along Canadian channels up to a certain point, but at that point we allow it to be switched off to American railways, to be taken to American ports, to build up the business of American railways and American ports. The result is that the invigorating, life-giving commerce of this country, with its stimulating power on our whole business life, is lost to this country; it is switched off at a tangent and goes on foreign steel to foreign ports. Let us carry it to our own ports, and then the benefit of that life-giving stream will be felt in every part and parcel of eastern Canada, in every city and town of the Maritime provinces.

I do not want to detain the House at too great length. I have tried, Mr. Speaker, to show two or three things. I have tried to show that the railways are doing very well handling grain at the statutory rate that is in force west of Fort William. I have tried to point out, so far as the Transcontinental is concerned, which is the one line we are considering in this resolution to-day, that if that railway was given plenty of grain to carry at the statutory rate, its income would be substantial and it would be a profit-earning proposition for this country. I have tried to show that this traffic flowing steadily to the east, to the ports of the province of Quebec and the Maritime ports of Canada, would increase the business of the whole of eastern Canada, and would bring prosperity to parts of eastern Canada that now have great reason to complain. The vision of the men who founded confederation was that the ports of the Maritime provinces should be the great entrepot for the commerce of—what do you think?—for the commerce of half a continent. That has not materialized. We want to try to realize that vision to some extent by extending the carriage of traffic to the east as it ought to be extended. It is feasible; it is possible. The railway is there and the ports are there. It may be necessary to provide more elevator capacity and to have a little more wharfage accommodation at some of the ports, although Halifax and St. John are already equipped with some facilities and the port of Quebec is better off in these respects than either Halifax or St. John. But if proper accommodation were provided at all three ports, and if the traffic were allowed to go over the Transcontinental at the same rate that prevails west of Fort William, I believe a wonderful amount of business would be done on that railway; great advantage would follow to the line itself and much good would result to the people of Canada who own the railway. There would be undoubted advantage also to the Maritime provinces in that it would bring to their ports the traffic which will come over the railway.

Hon. CHARLES MARCIL (Bonaventure): The resolution submitted by the hon. member for Mackenzie (Mr. Campbell) brings to the attention of parliament a familiar question which has been discussed here for the last twenty years or thereabouts. When the Grand Trunk Railway of Canada came to parliament in 1903 or 1904 and asked for power to extend its line of railway to the west, I had the honour of being a member of the Railway committee, and I heard all the discussions that took place at that time. The idea of having the Transcontinental railway arose out of the proposal made by the Grand Trunk. Sir Wilfrid Laurier had conceived the idea of having such a line which would bring the trade of the west down to the city of Quebec. The members representing the Maritime provinces insisted that if the Transcontinental was to reach the city of Quebec it ought naturally to be extended to the Maritime provinces. Then the old question arose that if the extension should take place what port should be chosen—would it be St. John or Halifax? Finally, after a lengthy discussion a compromise was arrived at by the selection of Moncton. The hope entertained at that time was to develop the northern territory of Quebec and the northern territory of its sister province of Ontario by means of the Transcontinental. That hope has been realized, although the extension of the line east from Armstrong to the city of Quebec met with a very strong opposition. Sir Wilfrid Laurier,

however, had a strong belief in the future of Quebec and was strongly supported by his followers. He insisted on the contruction of that part of the line; the idea wa adopted by parliament, and when Sir Wilfrid's government went to the people on that occasion the undertaking was ratified by them.

The hon. member for Victoria-Carleton (Mr. Flemming) has read the pledge given by the Grand Trunk Railway at that time in regard to the routing of traffic. I do not know whether he noticed the old, familiar expression "when not otherwise routed by the shipper," but I remember it well. The routing of traffic was a bone of contention at the time of which I speak. It was held that if a shipper of grain in the northwest wished to route his grain via New York, provided he could get better terms there, there was nothing to compel him to ship his grain through Canadian ports. That was the first trouble we had to contend with. However, we hoped that when the road was built it would provide shorter and more direct communication with Quebec, that its undoubtedly great advantage as a natural port would be fully taken advantage of in the summer time, that St. John and Halifax would be the ports in winter time, and that ultimately the products of our west would be shipped through Canadian ports.

I think the resolution comes up at an opportune time. In his great budget speech a few days ago the Minister of Finance announced that after January 1 next all vessels with products from the Old Country would have to come to Canadian ports in order to enjoy the benefits of the British preference. At the time I speak of, over twenty years ago the former member for Cumberland, Mr. Logan, was an ardent advocate of the idea that imports of goods to enjoy the benefits of the British preference must come through the Canadian ports. The question now before us has long been agitated by the city of Quebec which has complained over and over again that it had not been fairly treated in this matter. The hon. member for Victoria-Carleton has made some reference to the stand taken in that regard by the city of Quebec, and I have under my hand some reports made by the Quebec Harbour Commission and letters written by Mr. Scott, a prominent resident of the city. The great contention was that the Transcontinental railway had been built at a cost of $170,000,000 for the definite purpose of bringing the trade of the northwest to Canadian ports. In 1922 it was stated that of grain from the northwest 64,000,000 bushels had gone to Buffalo, 7,000,000 to other United States lake ports, 80,000,000 to Georgian Bay ports and 4,000,000 to Montreal, a total of 152,000,000 bushels. This shows a great diversion of traffic which ought to come to Canadian ports. Have we been able to overcome that diversion? I think we have to some extent. I notice in the Commercial and Financial Review of the Montreal Gazette for the year 1925 an article by Mr. Robert W. Reford, a great authority on the Montreal harbour. He says there:

> The year 1924 had constituted a record for the number of ocean-going steamers sailing from the port of Montreal, but 1925 again topped the mark with 1,010, as against 988. This leads one to suppose an increase in the chief exports, and the returns show that 165,510,830 bushels of grain were shipped which is more than has ever been previously handled here. Excellent as are the present arrangements of the harbour commissioners, their foresight is even more commendable, and it is now only a question of two or three years when elevator No. 3 will have to be extended to its full storage capacity of 14,000,000 bushels to meet the steady growth of this trade.

If I remember rightly the port of Montreal was two years ago the first port in America for the exportation of grain. I hope we shall see a renewal of that satisfactory state of affairs and that it will be permanent. I am inclined to think that owing to its position Montreal will always remain the great summer port for eastern Canada. It is true that it is not without a rival. The port of Vancouver is becoming more and more important as regards our trade with the Orient and shipments through the Panama canal, but all authorities agree that Montreal will remain the first port of the province of Quebec and of Canada.

The hon. member for Mackenzie has complained that the farmers of the west do not enjoy the benefit of the Transcontinental for the carriage of either their grain or their cattle. Mr. Reford makes these remarks as regards the export of cattle last year:

> The number of head of cattle shipped this year from Montreal was 55,366, an increase of about 10,000 over last year, and the best showing since the embargo was lifted. Altogether there will have been about 110,000 head shipped from Canadian ports in 1925, which is a satisfactory though not particularly rapid growth in the trade.

He points out this fact:

> Shipowners have not been slow to recognize the growing requirements of this trade and this year the Donaldson line has put two more ships of the latest type on the service—the Carmia, which can carry over 1,000 head and the Diesel-engined Moveria, taking about 500 head. The White Star and Furness Withy and other St. Lawrence lines have also added to their cattle carrying capacity.

And he goes on to say that the cattle trade with England should be developed to a greater extent than it is at the present time. I think I have said all that I need say regarding Montreal.

I should like to read to the House the position taken on this question by the Senate committee which reported on the 9th of June, 1922. This is a non-partisan report, signed by Senator L'Esperance, and I should like to read it to the House, as giving a clear view of the situation. The report reads:

After careful consideration of all the evidence submitted, your committee is of opinion that there exists a most serious condition of affairs, with regard to the diversion of the western grain trade to New York and other United States seaports, for export. There seems to be no doubt that two-thirds, and probably four-fifths of that trade takes that route, and that we are paying many millions annually to United States railways, lake carriers and elevators, that would be earned by our own railways and train men, if it were possible to export this grain at Canadian seaports. Since this evidence was taken, and at the present writing, government statistics show that the diversion still continues, and that of the bountiful crop of 1921 no less than 99 million bushels of wheat went from Fort William to Buffalo.

After all the sacrifices that Canada has made in building three transcontinental railways, it is impossible that we should go on allowing our seaports to be deprived of their legitimate traffic, to obtain which our people have been and are being so heavily taxed. A persistence in this policy must inevitably lead to serious dissatisfaction not only in Quebec and in the Maritime provinces, but also amongst the farmers of the northwest, who will soon realize that these hostile railway tariffs are imposing a burden upon them which they are not called upon to bear.

It may be, as some of our railway witnesses have suggested, that a reduction in the rate upon grain to our seaports might lead to reprisals and corresponding reductions on the part of United States railways which have been handling so large a share of this traffic. But this cannot be injurious to our own railways, because it is an export traffic which, practically, they are not getting.

In any case, such reprisal would certainly benefit the western farmer, and your committee feel that it is their duty to report that they recommend that the petition of the Quebec Board of Trade as stated in the memorial of that board to the railway commission, dated 3rd February, 1921, hereto attached, be granted, and that the government be advised:

(1) To cause rates to be granted upon export grain over the Canadian National Railways to Quebec, Montreal, Halifax, St. John and Vancouver, such as would develop trade through the above ports.

(2) As a corollary to the recommendation in paragraph one, that necessary elevator accommodation should be provided by the Dominion at Canadian ports.

(3) To arrange with the marine underwriters or others in such a way that the marine insurance rates from Canadian seaports be as cheap as from United States seaports.

At a meeting of the Quebec city council held on the 17th of November, 1922, the following resolution was passed:

On motion of Ald. J. H. Bédard, seconded by all the other members the following resolution was passed:

Whereas it has been publicly stated to be the intention of the new board of directors of the Canadian National Railways to make the city of Montreal the operating headquarters of the government railway system, and furthermore to divide that system into zones or divisions, making Winnipeg the headquarters of the western division, Moncton the headquarters of the maritime division and Toronto the headquarters of the central division, the latter with control over all the government railways in the province of Quebec, as well as those in the province of Ontario;

Whereas the Toronto management of the railway mileage of the province of Quebec during the last few years has been very prejudicial to the interests of the city of Quebec, inasmuch as it has imposed very heavy freight rates upon the new industries which have come into operation on the railways to the north and northwest of this city, and has thus checked the progress of colonization, and also, by prohibitive freight rates, in spite of the repeated protests of our people, has prevented the grain traffic of the prairie provinces from coming over the Transcontinental Railway to Quebec, Montreal, Halifax and St. John, for export, and has thereby diverted that shipping trade to New York:

And then they go on to speak of the Quebec and Lake St. John, the Canadian Northern and the Transcontinental now forming part of the government railway system and furnishing a very large traffic to the government railways. They say that the city council of Quebec is of opinion that the city is entitled to some measure of control in the management of the railways.

The resolution was forwarded to Sir Henry Thornton, who acknowledged it, saying that he had not time to study the situation, but that he would look into it thoroughly.

I find that prior to the report made to Sir Henry Thornton and the present government a letter was written by the president of the Quebec Board of Trade, Mr. J. T. Ross, to Mr. D. B. Hanna, President of the Canadian National Railways, in reference to this question, and it summarizes the whole matter in a nutshell. It is dated November 10, 1919, and reads as follows:

Dear Sir,

I beg, on behalf of the council of the Quebec Board of Trade, to draw your attention to the following facts in connection with your railway and the ocean shipping business of the port of Quebec.

The construction by the government of the National Transcontinental Railway was undertaken with the distinct understanding in parliament that it would bring the export trade of the northwest to Canadian seaports for shipment, and the act of parliament provided that sufficient ocean tonnage for that purpose would always be available at those ports.

When the road was finished and the government took over its operation and its obligations, the government management made a special rate of freight upon export wheat from Armstrong to Quebec of six cents per bushel, in order to carry out this undertaking. This special rate was equivalent to about 11 cents from Winnipeg, and meant a saving of three cents per bushel as compared with the then lake and rail rate via Fort William to New York, or to Montreal.

The hon. the Minister of Railways declared in the House of Commons that the special rate, though low, was profitable to the railways.

It seemed to be justified, because this new railway saves 214 miles in distance between Quebec and Winnipeg, as compared with the Canadian Pacific Railway, and 256 miles, as compared with the Canadian North-

ern, and because the government engineer, Major Leonard, stated that on account of its easy grades its trains could haul nearly twice the tonnage of its competitors. And the people of Quebec became so impressed with the advantages offered, that the city gave the government nearly two million dollars' worth of valuable property for terminals of the railway, upon conditions which have not yet been fulfilled by the government. The effect of the granting of this special rate of freight was wonderful. The grain commenced to come in from the northwest, and within a short time no less than six large ocean steamers loaded full cargoes of wheat at Quebec.

Then, before the new route had a fair trial, the special rate was cancelled, and since that time not a bushel of western grain has come over the government railway for export. What grain has been exported from Quebec, this year and last, has, I understand, come over the Canadian Pacific, all rail.

When you took over the management of the government railway system, a few months ago, we felt sure that justice would be done to the port of Quebec, the advantages of which are so familiar to you, and that the Transcontinental railway would be fully worked for the grain trade of the northwest, as was promised the people; that the new government steamships would be run from here, in connection with this railway, as was promised us, and that a stop would at last be put to the diversion of our western grain trade to New York, which has become so alarming that, as stated in the Senate a few weeks ago, 80 per cent of it now goes that way. Unfortunately, we have been disappointed in that expectation. None of the grain of the prairie provinces has come here for export this year, and the government steamships, which we expected to see running in connection with the Transcontinental, are being operated to and from Montreal.

That should be sufficient to convince the House of the outstanding importance of this question not only for the grain growers of the west but for central Canadian interests in northern Ontario and northern Quebec, for eastern Quebec and for the Maritime provinces. It is an outstanding question which I am sure the new Minister of Railways (Mr. Dunning) will be glad to take up, and if he manages to solve it he will have made a reputation for himself. He will have carried out the dreams of those who built the Transcontinental railway for the purpose of connecting the waters of the Pacific with those of the Atlantic ocean and giving all parts of Canada railway communication over its own territory.

We were all anxious at that time, as we are anxious now and as we were axious in 1911, to be on friendly relations with the great country to the south; we wished to have freer trade with them and we are prepared at all times to enter into any reasonable arrangement for the interchange of commodities with them, but the first duty of this country is to ourselves and to our own people. I know the Minister of Railways, who comes from western Canada, will take up this matter seriously and in all earnestness and will find a solution. His hands are tied at the present time, I understand, by the fact that the question is now pending before the Board of Railway Commissioners. But it is one of those questions which I think parliament is authorized to take up and should take up, and if a solution is brought about, not only will the people of Quebec be satisfied, but we shall have gone a long way toward removing some of the grievances of the Maritime provinces dating back to the days of confederation.

I remember once reading an earnest, patriotic and eloquent speech by the late Sir Charles Tupper who prophesied in those days that the port of Halifax would become the new Liverpool of Canada. That dream has never been realized owing to want of communication with central Canada. One of the grievances which the people of the Maritime provinces have alleged in all their complaints is that St. John and Halifax in the winter time and Quebec and Montreal in the summer time have not had their fair share of the great products of the west. I was a boy reporting the speeches of Sir Charles Tupper at Queen's Hall in Montreal when he came there to explain the Canadian Pacific railway contract and it was with great difficulty that he secured a hearing. But after he had managed, with his charming voice, to make himself heard, he declared that the northwest was to be the granary of the world. That vision has been realized and to-day Canada is producing more grain than any other country in the world, although it has made but a beginning, only a small area of the west being under cultivation. This immense west is no doubt the better part of Canada as regards grain crops, but we must not forget eastern Canada which provided the money to build these railways, to open up this country, and most of the manhood to establish the west; because it must not be overlooked that not only is western Canada settled by people from Great Britain and other parts of the world, but some of its best settlers came from Ontario, Quebec and the Maritime provinces. They have been the fore-runners and the connecting link between the west and the east, and, although in this present parliament we are pleased to be able to give western Canada some of the great things it has been advocating for a long time, the people of western Canada will realize—and this has been done in the motion of the hon. member for Mackenzie—that in advocating their own interests they are at the same time advocating the interests of eastern Canada. This all goes to prove that the whole of Canada is interested in a policy of this kind, a true national policy, and I know of no greater phase of that national policy than the success of our Canadian transportation system and our Canadian ports.

Mr. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, I am sure every hon. member will be glad if anything can be done to bring about a greater use of our railroads from coast to coast. I understand the question of railway rates has been submitted again to the Board of Railway Commissioners and I hope that commission will be able to bring in some recommendations or make some arrangements whereby the traffic of this country will flow more freely on our railways from the Pacific to the Atlantic and vice versa. I shall not at this time go into the question of railway rates in any detail because I am satisfied that the commission will have greater opportunity and better facilities for getting information than I can have.

One thing that strikes me in this debate is that no speaker yet that I have heard—I was not in the chamber all the afternoon—has discussed this question along the lines that it has been discussed outside of the House. Every speaker seems to want to offer some concrete suggestion so that our railroads may be able to carry freight at a reduced rate. That is a little different from that which we have heard during the past two years. We have had some gentlemen, more especially a few lawyers from Winnipeg, going around the country, and instead of offering concrete or useful suggestions the only thing they seemed to be able to do was to argue that railway rates cannot be reduced because the wages of the railway men were too high and were responsible for the high freight rates. I am glad we have reached the point of realizing that that is not the case and are now trying to find the real solution.

In the discussion of this railroad problem we must not forget that Canadian railroads are handicapped to a large extent as compared with United States railroads. It is, of course, always necessary to compare one organization with another in order to see how we are faring ourselves, and the only system that we can compare ours with is the United States railway system. The British system, the European systems, are equipped to carry light loads short distances, while United States railroads like our own are equipped to carry heavy loads long distances, so that if our railroads compare favourably with those of the United States in operation, efficiency and freight rates, we are at least not doing too badly. But even at that, Canadian railroads are handicapped, and one of the greatest handicaps is the fact that in Canada we have only about 221 people to each mile of railroad while in the United States they have about 450 people to each mile of railroad. This is a great factor because we have not density of traffic, and over the whole railroad system it lessens the average earning power. We have again of course severe climatic conditions to contend with. Throughout a great portion of the western country railroad operation has to be carried on with the temperature at from ten to sixty degrees below zero. This not only makes it much more difficult to carry on transportation during the winter season but involves greater cost than in the warmer climates of the United States. In 1924 it cost the Canadian Pacific and Canadian National Railways about four and a half million dollars to clear snow off their tracks. A further handicap is that our railways have about $100,125,000 invested in rolling stock which is in use for only about three months in every year for the movement of the grain crop; during the remainder of the year it is stored on side tracks and is deteriorating more or less. All these are serious handicaps that our Canadian railways have to contend against as compared with the railways of the United States.

But notwithstanding these severe handicaps our freight rates, generally speaking are lower than those prevailing in the United States. This surely denotes efficient management and loyal co-operation of all branches of our railway employees. This is evidenced by the fact that according to statistics each Canadian railway employee moves approximately 12,000 tons of freight per mile more than his fellow worker on the United States roads. It will no doubt be interesting to hon. members to have these comparative figures: to move a ton of freight in Canada five employees are required; a similar number in the United States; twenty-three in Germany; twenty-four in Italy; thirty-one in Switzerland. This is further evidence of the efficient and loyal co-operation of our railway employees with their officers.

I am glad that during the discussion not one hon. member has suggested that the earning power of our railways should be decreased below the amount necessary to maintain a proper rate of wage. I do not think any hon. member would take such a stand, but it has been advocated outside the House. In this connection it must not be forgotten that for the past two years the wages of our railwaymen have been about five per cent below those paid in the United States. Therefore it is not to be expected that hon. members either in the House or outside should advocate a reduction of wages of railwaymen. Our men proved their loyalty in 1921 when they were promised that if they would accept a decrease in their wages the cost of living would come

down proportionately, and they would thus be recouped. They took this course, which meant a saving to our railway companies of $45,000,000 annually, but there has as yet been no corresponding decrease in the cost of living.

Few hon. members realize the conditions under which many of our railwaymen have to carry on their very arduous and responsible duties. Usually when someone wishes to disseminate propaganda about the high wages of railwaymen he takes one or two cheques paid to men on some preferred run and probably earned during a rush of coal or wheat, involving working very long hours with very little rest. Suppose these cheques run about $300, they are exhibited to the country as typical of the average rate of wages paid our railwaymen. I suppose very few hon. members realize that over sixty per cent of our railwaymen do not work more than four months in every year; they are employed during the wheat rush and are then laid off, at a time, unfortunately, when other industries are cutting down their staff. Consequently there is no opportunity for the railwayman to get other employment, and he has to rely on his earnings during the rush season of three or four months to maintain himself and his family for the whole year. During the last two years about 25,000 fewer employees have been working on our railways, a reduction brought about by greater efficiency of operation and improved motive power, all tending to eliminate the human element. At the present time we have men with twenty-three years' standing as firemen and engineers and trainmen on western lines who cannot get a job even at wiping engines, and there is no prospect of their securing employment until the wheat starts again. Under these conditions it is only natural that our men should begin to think it is about time the railway companies took care of their reserve force. These men are necessary to handle our commerce during the peak periods, and therefore some means should be provided to give them steady employment the whole year round.

I just rose to give these few facts before the debate closed. I am sorry I was not in the House when the hon. gentleman who moved the resolution was speaking. I have a great deal of work to attend to in my office; unfortunately the Premier of Ontario has not seen fit to bring on a by-election to fill the vacancy created by my resignation in the Legislature, and consequently the people of New Ontario are writing to me about provincial affairs.

Mr. GOTT: There will be an election soon enough.

[Mr. Heenan.]

Mr. HEENAN: When that election comes on you will never know it happened. I want to protest against that situation, and this is my only opportunity of so doing. We have a new country up there, four times as large as old Ontario, with seven seats vacant since the last election; there has not been one by-election held since. I would ask the Conservatives in this House to try to induce the Conservative Premier of Ontario to bring on those by-elections, even if they return Conservatives; I would rather have Conservatives representing the district than no one at all. I saw not very long ago the Conservative members of the provincial legislature of Alberta were damning everyone and everything, especially the premier of that province, for calling a session of the legislature while there were six vacant seats. They had forgotten altogether that the Conservative Premier of Ontario called a session with seven vacant seats. It is a crying shame that a country such as we have in New Ontario, which we are trying to settle and develop, has no one to represent it simply because a few partisan politicians are trying to enhance their own political prestige by keeping the seats vacant.

Mr. ROBERT K. SMITH (Cumberland): It would appear from the resolutions introduced in this House, last week by the senior member for Halifax (Mr. Black) and to-day by the hon. member for Mackenzie (Mr. Campbell), that the intentions in the building of some of the great Canadian railways have not been fulfilled. This refers particularly to the eastern part of Canada and to the old Intercolonial railway, which was supposed to have been built to convey the products of the Maritimes to central Canada, not as a commercial undertaking in any sense of the word but purely as a channel of economic advantage to the Maritime provinces. That contention as to the building of the Intercolonial railway applies also, I believe, in the same degree but in a wider scope to the building of the Transcontinental railway.

A great many reference have been made to the parliamentary commitments made in the years 1903 and 1904 with respect to the intention of parliament in the construction of this great transcontinental railroad, which would extend from one ocean to the other, which would go entirely through Canadian territory and which would feed the ports of the Atlantic and Pacific oceans. I may say at the outset of my remarks that I am in hearty accord with the resolution as proposed. I believe that in its general application it has a most direct bearing on the Maritime provinces, so far as our ports are concerned. Before going into that

matter in detail, I might add to what has already been said with respect to parliamentary commitments. Those to which I am about to refer were made in 1904, with respect to the purposes for which the Transcontinental was built. They are written into the statutes of 1904, as follows:

To secure the most direct and economical interchange of traffic between eastern Canada and the provinces and territories west of the Great Lakes; to open up and develop the northern zone of the Dominion; to promote the internal and foreign trade of Canada and to develop commerce through Canadian ports.

This further language also appears in the statutes, with relation to the Transcontinental:

The company shall arrange for and provide, either by purchase, charter or otherwise, shipping connections upon both the Atlantic and Pacific oceans sufficient in tonnage and in number of sailings to take care of and transport all its traffic, both inward and outward, at such ocean ports within Canada upon said line of railway, or upon the line of the Intercolonial Railway as may be agreed upon from time to time and the company shall not divert or so far as it can lawfully prevent, permit to be diverted to ports outside Canada any traffic which it can lawfully influence or control upon the ground that there is not a sufficient amount of shipping to transport such traffic from or to such Canadian ocean ports.

It has already been pointed out, Mr. Speaker, that in the face of such binding parliamentary commitments the real purpose in the construction of the Transcontinental railway has not been carried out. I have here a number of quotations taken from newspapers all over the Dominion of Canada, which I think prove quite conclusively that this statement is accurate. The first quotation I would like to read is from the Manitoba Free Press, dealing with the obligations of this country to put the Transcontinental to those purposes for which it was intended. The article says:

By putting the Transcontinental to work the government would only be keeping faith with the Canadian people who authorized an immense expenditure to have this line built up to a high standard for a particular purpose which has never been fulfilled.

In this connection the Toronto Globe states as follows:

It is a grotesque condition that a great railway system should be built through the Canadian hinterland to connect the grain fields with eastern Canadian ports —and its rails left to rust for lack of traffic which seeks other and too often foreign outlets.

The Manitoba Free Press further states:

It must not be forgotten that when the road was finally completed in 1916 for a few months a rate was established which permitted hauling grain to the seaboard at a figure which corresponded very closely to the lake and rail rate in the summer. This rate which was six cents per bushel was in effect only a very few months. It then jumped up about 400 per cent; at or about that point it has remained ever since and the amount hauled over this line since that day has been to all intents and purposes a mere fraction of the volume going through the United States.

Again the Free Press remarks:

The National Transcontinental was the main issue of the campaign of 1904. It was completed in 1916 and in 1921 the late Hon. Frank Carvell, then chairman of the railway commission, who originally supported its construction, declared that it was rightly conceived, so rightly that freight could be transported over it at a figure which would mean the absolute ruination of other railways in Canada.

I have also a statement with respect to the Transcontinental which is signed by the Minister of Agriculture (Mr. Motherwell). He says:

That so small a percentage of Canadian export wheat is shipped via Canadian seaports, in spite of the recognized efficiency and superiority of Canadian transportation and harbour facilities, is a matter affecting Canada's most vital interests.

Commenting upon this aspect of our export business, the report of the Harbour Commissioners of Montreal, 1922, page 8, says:

"It thus appears that though Canadian capitalists and taxpayers have provided, within the bounds of their own country, large storage and ample transit facilities at every stage in the movement of the crop to market, yet the marketing, and thus the forwarding of more than three-fifths of the grain is controlled by agencies which see to it that tribute and toll are paid to transit systems competing with our own."

I have also a quotation from the Vancouver Province. Referring to the flow of grain through American ports, it says:

If Canada had a government that was really earnestly seeking a solution of this problem, the solution would be found—and it would probably be found in the National Transcontinental.

This statement in the Vancouver Province, goes on to say:

This road, the Province points out, "is not fulfilling its original purpose," and the Province advocates rates over the Transcontinental that would ensure traffic for Maritime rails and Maritime seaports.

There is another quotation:

Hamilton, Ontario, December 18.—"Use Canadian ports" is the demand of the Hamilton Spectator. That newspaper has joined in the campaign for justice for the Maritimes, and declares that "Canadian ports for Canadian products is a good slogan for Dominion-wide adoption." The editorial from the Spectator follows:

"The question of development of Canadian ports is one which is receiving increased attention at the present time, and deservedly so. The situation is far from satisfactory, and it is a matter of concern to everyone that it should be improved. The Maritimes are complaining, surely not without justice, of the neglect of their splendid seaports, while enormous volumes of business pass over to the United States. According to a press despatch just published, of the 24,095,814 bushels of Canadian wheat exported to Great Britain in the month of November, only 5,485,710 bushels were shipped via Canadian ports.

Then under the heading, "Halifax elevators lie idle as bulk of grain crop shipped via United States," the Montreal Herald says:

Not one bushel of the 24,095,814 bushels of Canadian wheat exported to Great Britain this year has arrived at one of empire's most important ports.

It seems to me, Mr. Speaker, from these quotations that it is clearly recognized all the way from Vancouver to Halifax that the Transcontinental railway is not being used for the purpose for which it was constructed. When we think of Canadian grain, Canada's largest basic product, flowing through American territory and building up American seaports to the detriment of our own Canadian seaports, it seems to me it is about time the Canadian people came to the full realization of the real intention in the construction of this great undertaking. The commercialized idea of turning the railroads into a profit-making undertaking, irrespective of the parliamentary commitments, seems to be the main idea of those who have charge of the National railways in this country to-day. While we are not advocating that the railways should carry our products free, we are advocating that, by carrying our products east and west, they should create an east and west policy by reduction in rates which will in the end build up a volume of trade that will more than offset any slight loss that may be incurred at the outset. The natural trend of trade in the Dominion of Canada is north and south. The north and south trade will develop itself, because that is the natural channel in which trade will flow in this country unless we direct it otherwise, but we must develop the east and west traffic, and the only way in which we can develop it is by allowing our products to seek outlets on the seaboards of this country, both on the Atlantic and on the Pacific and not in a foreign country. But if we continue the policy that has been followed for the past number of years, of allowing the great quantity of our largest basic product, the grain of this country, to flow through American ports, to the detriment of our own, then it seems to me that all the parliamentary commitments and all the statements of the legislators in 1903 and 1904 bearing on the building of the Transcontinental will have been violated, and we shall be violating the commercial interests of this country in a general sense unless this policy being advocated by the mover of the resolution is taken hold of and very ardently pushed forward to a successful application by the parliament of this Dominion.

I said the other day, when speaking to the resolution introduced by the senior member for Halifax (Mr. Black), that it would appear from the attitude of the railway authorities that there is only one body in the Dominion of Canada that is capable of dealing with the railway problem, so far as the general policy of keeping Canadian trade on Canadian railways is concerned, and that body is the parliament of Canada. It is true that the railways of this country have just had a splendid year, and we are all very happy in the knowledge of that fact; it is certainly a great incentive to the railways as a publicly-owned institution, and the showing that has been made is to be heartily commended. But, Mr. Speaker, there is still a deficit. As I understand the figures, the fixed charges of our National Railways amount to about $70,000,000, but I understand that we only have to pay out on account of fixed charges about $40,000,000, and that the real deficit in dollars and cents, outside of the book-keeping aspect of the matter, is between $7,000,000 and $8,000,000. Now if the deficits have been reduced to that figure, which is not very alarming in view of some of the former deficits on this road, it seems to me that the parliament of Canada will be very well advised to instruct those in authority in connection with the railways that further reductions should be made in the rates to promote this east and west traffic, so important to every portion of Canada and every interest in Canada. While some sacrifice may be necessary on the part of the whole Dominion to ensure this trade flowing the way it should flow, and at the rate at which it was intended to flow, in accordance with the commitments of parliament, and with the statements of those who brought the matter forward in 1903 and 1904, I am convinced that that sacrifice will be cheerfully made by all Canadians.

In closing I beg to repeat that I am in hearty accord with the resolution as proposed by the hon. member for Mackenzie in its general application.

Hon. H. H. STEVENS (Vancouver Centre): I rise for a moment or two to speak to this resolution. I am not going to discuss the resolution as a whole or at length. I do desire, however, to bring to the attention of the House one or two features, and to move an amendment by way of addition which will not in any sense, I think, interfere with the resolution as it now stands but will add a clause to it.

I may remind the House that a year ago, or almost so, when a similar question was before it in the form of a bill fixing rates by statute, and on other occasions prior to that, I declared that so far as I was concerned I was opposed to parliament taking upon itself the responsibility of fixing rates. I think it is a bad principle. I have always thought so and I am still of that opinion. Furthermore, on

that occasion I pointed out to the government that if, in the bill which was brought before the House last year, they insisted on fixing the rates it would undoubtedly be followed at future times with demands for fixing rates in other sections or upon other lines, and the resolution now before us is simply a fulfilment of that prophecy, if I may so term it. I still adhere to the principle that parliament should not fix rates but should determine the main principles upon which rates should be fixed, and then leave the actual determination of those rates to a competent body, a body such as the railway board. I still believe that is the right course to pursue. But the government having caused a bill to be passed last year, and parliament having accepted the duty of fixing rates in the bill so passed, and a claim having been put forward now by certain interests in the House—upon which I offer no reflection at all—for the fixation of rates through Quebec and the Maritime provinces, I feel it to be a duty to my own province to claim for it the right to have lower rates fixed by parliament. That is, if there is going to be a scramble in this House for lower rates, then let us all get into the band wagon and join in the scramble We may as well; it is the logical result of the legislation of last year.

For many years we in British Columbia have been suffering from very unfair and discriminatory rates. However, while I have realized that, I have consistently urged that our appeal ought to be to the railway board, the body properly constituted for the study and determination of this important question. But I confess that many of my fellow-citizens have been disappointed in the apparent slowness with which these matters have been dealt with, and they feel that something should be done to hasten the lowering of rates on various commodities moved to and from the Pacific coast. So I wish to propose that the resolution be amended by adding thereto the following words:

And that the same principle be applied in fixing rates on freights moving between prairie points and Pacific coast ports.

In other words, that we simply extend this principle to the movement of freight to the coast. And I wish to draw to the attention of the House the last clause of the resolution, the operative part of it, which reads as follows:

Therefore be it, resolved that, in the opinion of this House, freight rate discriminations against the port of Quebec should be removed—

Well, if there are discriminations undoubtedly they should be removed. I am wholly in accord with the removal of the discrimination, still reserving, however, as I said a moment ago, the principle that it should be done by the Board of Railway Commissioners. But if it is going to be done here, then I say let us also remove the discrimination in the rates on the movement of commodities to the coast. The resolution proceeds:

—and grain should be transported over this particular route on the same mileage basis as that applying from prairie points to the head of the lakes.

In other words this resolution asks that the same rates shall apply from prairie points over the Transcontinental to the port of Quebec and the Maritime ports as now apply to Fort William and Port Arthur. We ask for precisely the same thing. Give us similar rates, or rates on a similar basis, to the Pacific coast, and we shall have no complaint. I therefore beg to move that the following words be added to the said resolution:

—and that the same principle be applied in fixing rates on freights moving between prairie points and Pacific coast ports.

Mr. S. G. TOBIN (Wetaskiwin): I will only take sufficient of the time of the House to put myself on record as supporting the resolution introduced by the hon. member for Mackenzie (Mr. Campbell) and so ably supported by other hon. members. For many years the railway rate on grain shipped westward from the prairie provinces was prohibitive. Grain shipped westward had only to travel 700 miles to the Pacific ocean, while eastward it had to go two-thirds of the way accross the continent. This discrimination in rates complained of has been largely removed. The last speaker has said that he wanted the discrimination removed also as far as westward shipments were concerned, but as stated I think that has largely been done. The rates westward from the prairie provinces are now almost on the same mileage basis as the rates eastward to Fort William. From Alberta it costs 20 cents per hundred pounds to ship grain to Vancouver and 26 cents per hundred pounds to ship to Fort William, a distance of 1,350 miles. But upon reaching Fort William there is a change, and discrimination once more obtains. Although the rate from the prairies to Fort William is 26 cents per hundred, a distance of 1,350 miles, a rate of 34½ cents is charged from Fort William to Quebec, a distance of 1,000 miles. At any time the railway board or the government or someone in authority explains to us why that is so, I suppose these arguments will cease, but until it is shown why a railway that was built for the express purpose of carrying grain by the shortest route with the best grades to the Atlantic shore is

not used for that purpose, I presume the arguments will continue in this House. If the grain will not go over that route when rates are fixed on the same mileage basis as in other parts of the country; if it goes southward through other ports, then we will have nothing to say; but so adjust the rates as to give the road a chance. There is no use in building a road for this trade and then making the rates prohibitive. Under present conditions the people of the Maritime provinces cannot expect the grain to go through their ports. I am sure all hon. members who have spoken desire that the rate should be fixed on the same mileage basis as in other parts of the Dominion. My argument is that wherever the grain is placed upon the train, at any station in the Dominion, the mileage rates should be the same. If that is done we shall have no complaint, because the grain will flow to the natural port.

We in western Canada know that all our grain will not go to the Pacific ocean. We do not expect it all to go there. At times it will go westward; at other times it will go eastward, and when it goes eastward we would like equal rates on the mileage basis, so that we would all get the benefit of it. I am sure this proposition will appeal to all parts of the Dominion; Nova Scotia, Quebec and all the other provinces will want it. I do not know what part of the country would oppose it. The railway board have the matter before them, but if the House will give attention to these questions it might be of some assistance. I do not think we are exceeding our privileges in debating this matter in the House.

I am fully convinced, as was stated by the hon. member for Victoria-Carleton (Mr. Flemming) that the undertaking and purpose for which the road was built should be carried out, that the shortest route with the best grade should be adopted and the road given a fair chance to compete with other lines, thus giving us the benefit of real competition. If all these conditions were fulfilled and the road could not compete, then we would have nothing to say, because the people will have got what they asked for namely, the compensation of real competition. I wish to endorse the resolution so ably presented by the hon. member for Mackenzie (Mr. Campbell) and so well supported by all hon. members who have spoken.

Mr. H. A. MULLINS (Marquette): Mr. Speaker, the cattle trade is interested in this resolution. The resolution reads:

Whereas the fulfilment of this purpose has been prevented by the imposition of exorbitant and unjustifiable freight rates; and

[Mr. Tobin.]

Whereas the port of Quebec has exceptional advantages as a shipping point for export cattle, which advantages are lost to the grower owing to the impossibility of making up mixed cargoes in the absence of a steady supply of grain for export.

I am pleased that the hon. member for Mackenzie (Mr. Campbell) was kind enough to include the cattle with the grain, because they should be associated. Having been in that trade for a number of years and having travelled over the Transcontinental, I may tell the House that it is an excellent road, that there are splendid facilities at Quebec for loading cattle, that there should be more cattle coming out of the western country over that road for export, and that cattle should be carried over the line as well as grain. I am glad the hon. Minister of Agriculture (Mr. Motherwell) is in his seat, because he has heard me before on this subject and I may tell him that it is impossible to bring cattle over that road to the seaboard and then pay a $20 rate on live stock to Great Britain. We have twenty-four ships of the merchant marine of 8,000 tons capacity, and, with a very little fitting these would be admirably suited for carrying live stock. But when the cattle get to the seaboard and have to face a $20 rate it is an absolute impossibility for the western men to raise cattle on that basis. The government must do something in regard to transportation by ocean before they deal with the Transcontinental rates.

In regard to the Transcontinental, I do not believe any of us are giving credit to that company and to the other railway companies for the service they are giving. We are getting magnificent service, far better than we ever got in the old days. In western Canada on one occasion I had five hundred cattle ready to ship, at Yorkton. The boat was held at Montreal or Quebec and I had to pay $100 a day demurrage. To-day there is no trouble to get cars; they are making wonderful running time over both these roads, they are giving wonderful service. But you cannot pay the freight rates by rail and ocean . The trade is dwindling in western Canada as the hon. Minister of Agriculture knows. Hon. members of this House will bear me out in that statement, because they know very well that the live stock industry has no chance to do business with the exorbitant charges that are made. The rate is now 85 cents a hundred, as compared with 60½ cents per hundred thirty-five years ago. After the road was completed in 1885 I had the honour of taking the first shipment over that road, it cost 60½ cents a hundred based on a Winnipeg rate. They asked at that time for fourteen cars for train lot. Now you have 72 cars leaving Winnipeg

and the rate is 85 cents per hundred, and there are many different things in the way of charges added before the cattle reach shipboard, to say nothing about the $20 rate on the ocean. Before they reach shipboard dozens of things are charged against them now which were not charged in the old days. They charged 60½ cents a hundred with five of a crew drawing fourteen cars. To-day five men take 72 cars out of Winnipeg and as stated the rate is 85 cents—they say it is labour. Mr. Speaker, it is not labour, the increased tonnage helps to pay that. Labour was kind enough to concede 10 per cent of its wages towards giving us a reduction in the freight on live stock, and on other products going over the road. We never got that 10 per cent. It is no use trying to foster the cattle industry, which is mentioned in this resolution—and with that I am absolutely in accord—so long as present conditions exist. I appeal to the hon. member for Brandon (Mr. Forke)—I cannot see whether he is in his seat or not, but he could tell them in one minute whether or not there will be a $15 rate. He knows he is master of the situation, and if he is imbued with too much grain and cannot look after the cattle industry I hold him responsible. I say to hon. gentlemen opposite or to hon. gentlement on this side, whichever may have control, that we must have such a rate that this business will not be driven out of existence. The hon. gentleman, as I have stated is master of the situation and can and should demand such a rate in fairness and justice to the people of western Canada.

The port of Quebec is an admirable port to ship out of and I have used it many times as a shipping port; the Transcontinental is a good railway and gives good service; it is all we ask for; but the oppressive rates we cannot stand with regard to moving live stock to the markets of the world. I have been charged with being a monomaniac and also talking too much in Marquette on this transportation question, but it is the real question that is holding back the live stock business in Canada. Write down the capitalization, $2,000,000,000, of the Canadian National to equal that of the Canadian Pacific railway; spread the debt over the whole country; let us take our loss and let the man in charge operate it so that it can earn money. Then say to him: Effect economies and manage the railway in the same way as the Canadian Pacific is managed. In that manner we can have some redress.

I do not want to take up the time of the House. I have had my orders to speak briefly. My constituents have told me: Never read your speech; get up and say what you have to say in the House. On behalf of the live stock industry I say that something must be done in connection with rail and ocean transportation, also grain and other commodities.

Mr. J. A. CLARK (Vancouver-Burrard): Mr. Speaker, I rise to support the amendment moved by the hon. member for Vancouver Centre (Mr. Stevens). Many times in this House have the claims of British Columbia been urged in connection wth equalization of freight rates. From time immemorial we have been discriminated against by reason of our mountains; the mountain scale has operated against British Columbia. I think it was in 1920 that the mountain scale was reduced so that it stood one and one-quarter to one, and that is where it stands to-day, with the exception of rates on grain and flour moving from Alberta and Saskatchewan to the ports of Vancouver and Prince Rupert.

In 1922 members from British Columbia in this party pleaded with the government to leave the whole question to the Board of Railway Commissioners and not to introduce statutory freight rates. The government refused and they introduced statutory freight rates on grain and flour moving from prairie points eastward to Fort William. It was at that point that the government got itself into a hopeless mess in regard to freight rates. In 1923 this question of statutory freight rates was again debated in the House and a plea was then made on behalf of British Columbia that the same treatment should be given to that province as had been given the year before to the prairie provinces. British Columbia was discriminated against in that year not only by the mountain scale but by rates on grain and flour, which meant that freight rates from prairie points to Vancouver were almost twice as great as freight rates for equal distances going eastward.

Later on, I think it was in 1924, the Crowsnest pass agreement came into complete effect, and in that year British Columbia was further discriminated against by reason of the fact that Ontario fruit farmers could ship their fruit from the Niagara district as far west as Calgary at as low a freight rate as the Okanagan fruit grower could ship his fruit from Vernon, British Columbia, to Calgary, about one-third or one-fourth the distance. In 1925, by a stroke of fortune, the Board of Railway Commissioners held the Crowsnest pass agreement to be practically a nullity and ultra vires of parliament, and parliament had its opportunity then to get

rid of statutory freight rates once and for all. But no; this government once more introduced statutory freight rates on grain and flour eastward. When they introduced the bill the same rates were given on grain and flour from the prairie provinces westward to Vancouver, but when pressure was brought to bear on this government by the big interests, by the railway corporations, the government quickly removed its measure of justice to British Columbia and inserted in the measure a provision which denied those rights to that province.

Since that time the Board of Railway Commissioners has handed down a judicial decision which has given some measure of relief to British Columbia on grain and flour, but the discrimination is not completely ironed out, although I have no doubt the government would attempt to claim credit for the decision of a judicial body. It has been claimed that this government has attempted to dictate to that judicial body, and an explanation might well be forthcoming in parliament of the dictation of the government to that judicial body, something that is unpardonable on the part of any government in connection with judicial matters.

It may be thought by some members from the Maritime provinces and other parts of Canada who are not familiar with the situation in British Columbia, that because of these mountains there should be higher rates. Many years ago British Columbia guaranteed the bonds of the Canadian Northern railway from Edmonton to Vancouver on the express condition and agreement that, in consideration of that guarantee, British Columbia would have control of freight rates over that railway. Unfortunately the war came on and by an act of this parliament the Dominion Board of Railway Commissioners was given control of rates on the Canadian Northern railway and although we had guaranteed the bonds and our guarantee stands on those bonds, the right of control over freight rates on the Canadian Northern railway was taken away from us. Despite the fact that the Canadian Northern railway from Edmonton to Vancouver has a grade equal to grades in any part of the prairies and superior to grades in any part of eastern Canada, the term "mountain scale" is still applied to that railway in British Columbia and that province has been consistently discriminated against, notwithstanding the fact that that railway was built on the initiative and the guarantee of British Columbia and would not have been built had it not been for that guarantee.

It might also be pointed out that British Columbia was the only province in Canada to contribute a very large acreage of land towards the construction of the Canadian Pacific railway. It was one of the terms of union between British Columbia and the Dominion that the province should convey the railway belt, comprising twenty miles of land on each side of the Canadian Pacific railway, and a large area known as the Peace river belt, to the Dominion government in trust to be used in aid of the construction of the Canadian Pacific railway. When that railway was completed all of these lands had not been used. By their loud conversation I take it that members of the government are not interested and prefer to ignore the claims of British Columbia. Of course I suppose they think, "Well, it is only British Columbia." Such an attitude is natural on the part of a government of which Saskatchewan has three members and Ontario only one. The claims of British Columbia do not matter to the government. They have our lands and they will give statutory freight rates, no doubt whenever it suits their purpose, but will pay as little attention as they possibly can to those provinces that are not represented in the cabinet. But for the benefit of those private members who are interested in the case of British Columbia, I would point out that a previous government, the government of which my right hon. leader (Mr. Meighen) was the head, recognized the justice of our claims and in October, 1920, passed an order in council containing the following:

> The committee of the privy council therefore further recommend that as conditions have probably changed materially in recent years, tending more and more to make equalization practicable, an inquiry by the board be directed to be held at the earliest date with a view to the establishment of rates meeting to the utmost extent possible the above requirement as to equalization.

That recommendation, it is true, was directed to the Board of Railway Commissioners, but so far as members from British Columbia are concerned I am quite sure we have always been content to have the claims of our province considered by the judicial body which was constituted for that purpose. However, we do submit that we are entitled to receive the same treatment as the other provinces, and if they are given special statutory rates I claim that British Columbia is likewise entitled to such rates.

I submit that British Columbia more than any other province can offer the strongest possible case to parliament for consideration for it has contributed to a very large extent

to the construction of these two railways, and is largely responsible to-day for the fact that the mountain obstacle no longer exists, at least on the Canadian National railways. Therefore, Mr. Speaker, I second the motion offered by my colleague from Vancouver Centre.

Hon. LUCIEN CANNON (Solicitor General): Mr. Speaker, as a representative of the district of Quebec and as a citizen of the city of Quebec, I am in full sympathy with the principle of this resolution and I wish to extend to its mover my very hearty thanks for having brought the matter before the House. I need not stress the very vital importance of this question in so far as the city of Quebec and our section of the country are concerned. I do not wish to discuss the technical aspects, I simply wish to say that the whole matter is now before a tribunal constituted to hear cases of this nature, and I have no doubt that full justice will be given by the railway commission to the parties interested. A short time ago the representatives of our various commercial and industrial bodies in the city and district of Quebec placed their case, as they understood it, fully before the commissioners.

This resolution mentions the construction of the Transcontinental railway and the main purpose of that undertaking. I remember listening to our late lamented leader Sir Wilfrid Laurier when, during the election of 1904, addressing his constituents in the city of Quebec, he expressed the hopes which he thought would be realized by the building of this line from the Pacific to the Atlantic ocean. Circumstances which are well known to members of this House have so far prevented the full realization of those very high hopes, and I have no doubt that every hon. member, no matter to what party he may belong, will help to his utmost to realize the hopes which were entertained at the time the construction of the National Transcontinental was endorsed by the people of Canada. Nothing would please the people of Quebec so much as to see this great scheme of Sir Wilfrid Laurier, the scheme that he thought would be the main achievement of his political career, carried to completion.

As far as we are concerned, Mr. Speaker, we will always be ready to co-operate with our western friends, and with our friends from any other section of Canada, to develop the shipping trade in the harbour of Quebec, for we think that by doing so we are not only performing a task which will help us locally, but which in the main will be of national importance, because the harbour of Quebec on account of its facilities and its situation is really a great national port in the fullest acceptance of the word.

Mr. C. H CAHAN (St. Lawrence-St. George): I wish to call attention to the fact to which I alluded in the question which I put to the mover of this resolution to-day, namely, that in the evidence given on or about March 25 last before the railway commission Mr. F. G. Watson of the Canadian National Railways stated that the Canadian National Railways lost $12,000,000 in 1923 and 1924—approximately $6,000,000 in each year—on the transportation of grain from western points to Fort William. Mr. E. P. Mallory of the Canadian National Railways also stated that the present cost of grain movement over the line was 6.28 mills per ton mile, allowing for the return of empty cars to Fort William. So far as the evidence is available, then, it would seem that the Canadian National Railways are losing about $6,000,000 each year in the carrying of grain to Fort William at less than the actual cost of that traffic.

This is a very important matter upon which parliament should have full information, and I would suggest to the Minister of Railways (Mr. Dunning) that this resolution might be referred to the standing committee on Railways and Canals in order that the officials of the National railway system might be examined, and that parliament, through the committee, might be fully informed as to these facts. If parliament in its wisdom has fixed by statute a rate to Fort William which entails a loss to the government of this country, under present conditions, of $6,000,000 a year, we should be informed of that fact before we are in a position to discuss whether or not a similar reduction should be made on freight rates to Quebec or to the Pacific coast. I would suggest that this is a matter to which the railway committee might devote a certain portion of its time, because from the statements made in this House it is clear that there is a division of opinion regarding certain allegations, which may be sustained or refuted by the evidence.

I would also like to refer to the fact that the freight carried on the railways of Canada is not wheat alone. Our western friends seem to think that the wheat traffic is the greater traffic of the railways of Canada, but I notice from the return for 1925 made by the railways that in a total freight of 96,239,379 tons

carried last year, only 12,962,415 tons were of wheat loaded in Canada. Other freight offered by agriculture totalled more than the tonnage of wheat; for instance, animal products gave 3,378,516 tons; the mines gave us twice as much freight as wheat, namely, 29,894,003 tons; the forests gave us more than the wheat tonnage, namely 13,907,857 tons, and manufacturing gave us nearly twice the wheat tonnage, namely, 24,136,520 tons. So I can quite conceive that the statement made to the railway commission and the statement made in the report submitted by the government last year, that upon grain alone the Canadian National Railways lost $6,000,000 each year, may be perfectly true, although the freights showed an increase during the latter part of the year. We all know that in the latter months of the year, when the railways are carrying a heavy tonnage of grain, they are also carrying heavy tonnages of merchandise, of forest products and of mineral products, all rushing to market before the Great Lakes and the St. Lawrence are closed for the winter. It would be very interesting indeed to examine the officials of the Canadian National Railways before that committee, in order to elucidate the real facts, which are sometimes covered up by the returns made by the company and the returns made to this government.

I would like to call attention to one further fact, that in his address before the Western Retail Lumbermen's Association in Winnipeg on January 28, Sir Henry Thornton—who in recent months has assumed to act as Minister of Railways, leader of the government and chief exponent of government policy on each and every platform throughout this country and the United States—stated, as reported, that he emphasized the fact that the Canadian National Railways were ready to support anything that would move the grain through Canadian ports, explaining that it was to its advantage, having no interest in Buffalo or any other United States port. Just before that another official of the Canadian National Railways, Mr. D. O. Wood, the foreign freight traffic manager of that line, gave evidence before the select committee of the United States Shipping Board at Washington, in which he said:

> The traffic which comes through the port of Portland is, I should say, without going into exact figures, possibly 80 or 90 per cent of Canadian origin. The port of Portland has been practically built up by the Grand Trunk Railway, and largely from Canadian traffic. There are other lines coming to Portland, of course, besides the White Star Dominion, but we

[Mr. Cahan.]

> have no contract with them; they come there because we were instrumental in the early days in having them come here—to Portland—by trying to help them fill their ships as far as we could.

That disclosed for the first time, I think, to the Canadian public that the Canadian National Railways have a contract with the White Star-Dominion line for receiving transhipments of grain shipped over the Canadian National Railways through Portland. The suggestion was made—and I think it is clear—that the Canadian National Railways are under obligation to find tonnage for the White Star-Dominion line at Portland, because in his evidence as reported Mr. Wood says:

> If that service were not there, I do not know where it would be; most likely it would come to St. John, New Brunswick.

Then he added that the contract may be terminated on six months' notice, such notice to be given before March 1 of the calendar year. So that we find ourselves in this situation, that the Canadian National railway is carrying millions of bushels of grain to Portland to supply these White Star-Dominion liners with freight across the Atlantic according to contract in force between the steamship line and the railway company.

Now I would like to call attention to another fact. We have at Fort William and Port Arthur an elevator capacity of something like 63,500,000 bushels. We have at the bay ports, so-called, at Tiffin, Port McNicoll, Midland, Depot Harbour and Goderich, all in Ontario, an elevator capacity of some 16,550,000 bushels. Then we have the elevators at Port Colborne and Buffalo on Lake Erie, and elevators at Montreal and Quebec city on the St. Lawrence. I can well understand that the all-water route from the west from Port Arthur to Montreal or Quebec would be a cheaper route to operate during the summer months than the rail route to either of those ports, but when navigation is closed on the lakes and on the St. Lawrence, then the fact is, I am informed, that the same rate is given by rail from Fort William and the same rate is given by rail from the so-called bay ports in Ontario, to each of the Atlantic ports, including Halifax, St. John West or St. John City, Portland, New York, Norfolk, Virginia, or Baltimore, and that when the shipment of grain ceases by the water route, then, under the rates which now exist over the Canadian National lines, you have exactly the same rate to Halifax or St. John as you have to any of these other Atlantic ports; but as a matter of fact the grain finds its way to

these Atlantic ports in the United States for shipment all during the winter months. While two or three years ago there was as much as five or six million bushels shipped via St. John, and I think as much as from one to two million bushels shipped via Halifax, the grain went by tens of millions of bushels to the American ports. Now the reason it went to American ports, it is suggested, is because shippers over the National railways preferred American ports to Canadian ports, although the freight rate over the railways was exactly the same. I would think it very interesting indeed for a committee of this House to have Sir Henry Thornton and these gentlemen before it, and to ascertain just what are the influences which direct grain from Fort William or from the bay ports over American lines and through American ports, when the same rate is open to them during the whole winter months to the Canadian ports of Halifax and St. John. That is a matter in which the Maritime provinces are very much interested indeed.

I am persuaded that if the Canadian National Railway management really desired to encourage trade east and west; if they really desired, as Sir Henry Thornton said, to build up trade through Canadian ports, that that company, without using any undue influences at all, could direct the greater part of that trade to the Canadian ports of Halifax and St. John during the winter months. I have made all sorts of inquiries, and I am not yet able to convince myself that the shipment of the bulk of that tonnage by American ports is not due to the fact that the Canadian National Railway and its officials are using all the influences which they can control to direct that trade to Portland and other American ports.

The insurance from Halifax over the Atlantic during the winter months is not more excessive than the insurance from New York, and if the tonnage were made available at Halifax by the railway during the winter months, you would find ample steamship facilities there for transhipment.

Mr. SPENCE (Maple Creek): Is the hon. gentleman aware that the large Atlantic liners that come to New York very often carry a large quantity of wheat simply for ballast?

Mr. CAHAN: I have no doubt that is true, but my hon. friend will also know that at the port of Halifax there is ample steamship connection. The liners and passenger ships of several lines which leave New York call at Halifax for freight and passengers on their regular route. There are several steamship lines which during the winter make Halifax their sole port of call in Canada, and I am sure that ample steamship tonnage could be made available at that port if it were known that the Canadian National Railway would make the freight available.

Now as to the tonnage sent through the American ports—at the same rate, remember, at which it could be sent through the Canadian ports of Halifax and St. John,—I find that during the crop year of 1919-20 the quantity of Canadian grain shipped through American ports was only some 13,000,000 bushels; that rose to 54,000,000 bushels in 1920-21; to 100,000,000 bushels in 1921-22; to 130,000,000 bushels in 1922-23; to 141,000,000 bushels in 1923-24; and to 162,000,000 bushels in 1924-25. I am convinced personally that a large proportion of those increasing shipments through American ports could, if the officials of the National Railways were so inclined, be influenced to be shipped through the Canadian ports of Halifax and St. John. It is noticeable that this change—increasing shipment through American ports, decreasing shipments through Canadian ports—has been accentuated very considerably since Sir Henry Thorton took charge of the Canadian National Railway. Whether that is a coincidence, or whether his management has tended more and more to shipment through American ports, I do not know, but I do know that if you ask some railway men, perhaps not too favourable to Sir Henry Thornton, they will suggest to you that what the Canadian National Railways are losing in freight to the Maritimes is being gained by the West Maryland and Pennsylvania railroads for Boston, Baltimore and Philadelphia. I suggest to you that Sir Henry Thornton is better acquainted with the ways of securing traffic for the Pennsylvania and Baltimore lines than he is with the ways of securing traffic for the Canadian National railway in the Maritime provinces.

Mr. YOUNG (Weyburn): Does that suggestion come from officials of the Canadian Pacific?

Mr. CAHAN: I have not had any contact or conversation with Canadian Pacific officials for I do not know how long, certainly not in recent years. But I do say it is mentioned in the press—I have seen it suggested there—that Sir Henry Thornton's management does, under exactly the same conditions, influence the grain trade over the Pennsylvania and Baltimore lines of railways. The fact is that it is increasing by millions of tons each year,

and during the same time it is being cut off from the ports of Halifax and St. John, although the same rate from the head of the lakes and the same rate from the elevators at the bay ports is available to Halifax and St. John as to the American ports.

Mr. ROBB: Are we to understand from the hon. gentleman's statement that since Sir Henry Thornton became president of the Canadian National Railways their business has increased enormously in the carrying of grain? Is that the suggestion?

Mr. CAHAN: That since Sir Henry Thornton became manager of the Canadian National Railways the trade via American ports has increased? Is that what I am asked?

Mr. ROBB: No, I was trying to follow my hon. friend's conclusion. He seemed to be drawing the inference that in recent years the grain has moved to the Atlantic seaboard through the United States.

Mr. CAHAN: In increasing quantities.

Mr. ROBB: In increasing quantities, and my hon. friend was blaming the Canadian National Railways for that increased movement. What I want to arrive at is this: Are the Canadian National Railways now carrying more grain than they did prior to Sir Henry Thornton becoming president?

Mr. CAHAN: Yes, they are carrying more grain to American ports than to Canadian.

Mr. DUNNING: May I ask the hon. gentleman a question?

Mr. CAHAN: Certainly.

Mr. DUNNING: The hon. gentleman has quoted figures of the movement of Canadian grain to American ports, but he does not distinguish between the Canadian Pacific movement and the Canadian National movement of that grain. He proceeds to argue that the president of the Canadian National Railways is responsible for the apparent increase in the whole quantity. Now, in order to be fair the hon. gentleman should give the figures separately.

Mr. CAHAN: It is quite possible that a very considerable part of that grain may have originated on the Canadian Pacific line in the west going out from the bay ports. I have no figures showing the difference in the tonnage of wheat carried by these two roads over the two routes, but to put it in another way—

[Mr. Cahan.]

Mr. DUNNING: Would my hon. friend permit me another question?

Mr. CAHAN: Would the hon. gentleman permit me to answer his other question first?

Mr. DUNNING: Yes.

Mr. CAHAN: Let me put the matter in another way: The port of Halifax is a Canadian National railway port. No other railway except that owned by the Canadian National reaches Halifax from the interior of the country. The port of St. John is essentially a Canadian Pacific port because that company has its own elevators there. But the Canadian government also has an elevator of very large capacity at St. John, if I remember correctly, so that there is every facility for the Canadian National Railway shipping grain over its lines to St. John and putting it through the Canadian government elevator there. The statistics available—I am not making any insinuation at all as to the matter—clearly indicate to my mind that no effort is being made by the management of the Canadian National Railways to divert the present trade from American ports to the ports of St. John and Halifax, which are really Canadian National railway ports. Now I shall be very glad to hear your second question.

Mr. DUNNING: I followed my hon. friend's remarks very closely, and I think every hon. member gathered from those remarks that he intended to convey the impression that Sir Henry Thornton was untrue to his trust as president of the Canadian National Railways in that he influenced the carriage by certain American lines of grain which the Canadian National railways might have carried.

Mr. CAHAN: Are you making a speech or are you asking a question?

Mr. DUNNING: I am asking if that is what my hon. friend really meant, because I am reasonably certain that is the meaning drawn by the House from his remarks.

Mr. CAHAN: You can be assured that what I was stating is this: The statistics show clearly to my mind that the Canadian National Railways management is making no distinct effort to divert grain to Halifax and St. John, which are essentially Canadian National railway ports. Secondly, the very fact that the Canadian National Railways have made a contract with a steamship line by which, as stated before the American Senate committee, they undertake to supply grain freight at Portland to that line con-

tinuously, the contract only to be rescinded on six months' notice, is evidence that the Canadian National Railways management is using its influence to send grain over Canadian National railway lines to the port of Portland.

Mr. DUNNING: My hon. friend named American roads. He named the Pennsylvania line, and the Baltimore and Maryland, neither of which are Canadian National railway lines.

Mr. CAHAN: Quite so. I am dealing now with Portland, and I say further that the shipment of large quantities of grain, of millions of bushels, to ports farther south—I have a list of them here—Richmond, Norfolk, Philadelphia, Baltimore, and New York—the large quantity of grain going to these ports which originated on the Canadian National railway line, and which was transferred from bay ports and from Fort William by the Canadian National, is an indication that no consistent effort is being made by the management of the Canadian National Railways to divert that traffic from American ports to Canadian ports where it properly belongs.

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Order.

Mr. CAHAN: Oh, well, the hon. Minister of Railways may laugh or attempt to ridicule such statements—

Mr. DUNNING: I am not laughing at my hon. friend but at his claque.

Mr. CAHAN: I would suggest to my hon. friend that these matters which I am bringing to his notice in a friendly and fair manner, without any desire to be unduly critical, are matters which demand, and will demand in the near future, his very earnest consideration.

Mr. MACDONALD (Antigonish): I do not wish to interfere with my hon. friend's argument, but will he permit me to ask him two questions? Is he aware that it was since Sir Henry Thornton became president of the Canadian National Railways that the rates to Halifax and St. John have been put on the same basis as the rates to Boston and Portland, whereas those Canadian ports were discriminated against before? Secondly, is he aware that there was no accommodation at Halifax through which grain could be shipped until the elevator was built there last year on the recommendation of Sir Henry Thornton.

Mr. CAHAN: I do not know. I have lived in Halifax as long as my hon. friend from Antigonish-Guysborough—I was going to say Pictou, but that would be a mistake. There have been elevators in Halifax from time to time capable of storing a considerable quantity of grain. I do not remember just when, but I believe one elevator was blown up by that explosion which occurred in Halifax harbour during the war, and it has recently been replaced. And although under Sir Henry Thornton's management it was replaced a year ago, I think on the eve of an election, no effort has been made by the Canadian National since the election to store grain.

Mr. MACDONALD (Antigonish): I do not think my hon. friend wishes to make a statement which is incorrect. I read a report in the Halifax Herald that a steamer took a cargo of 350,000 bushels of grain from Halifax.

Mr. CAHAN: If my hon. friend had read the rest of the paragraph, or if he had been quite as candid as he should have been with this House, he would have explained that that grain did not reach the port of Halifax over the Canadian National railways. A ship carrying grain on the Atlantic sprang a leak and put into Halifax. In order to be able to go into Halifax dry dock it had to put the grain in the elevator, and subsequently, after the ship had been repaired in the dry dock, it went to the elevator and took its shipment of grain again in order to proceed on its voyage. Therefore, Mr. Speaker, these matters to which I have called attention demand earnest consideration. Parliament wishes to be informed. Members of this House representing Quebec and those representing the Maritime provinces wish to be informed why it is that with the same rate prevailing, the grain does not, under present conditions, go over the Canadian National to Halifax and St. John, but invariably goes to American ports. That is a serious question, worthy of the investigation of parliament, and I humbly suggest to the Minister of Railways that it will be a perfectly proper proceeding to refer this resolution to the Railway committee where we might obtain facts sufficient to enable us to give a vote on the merits of the question.

Hon. C. A. DUNNING (Minister of Railways): Mr. Speaker: to me, and I am sure to all members of the House who have listened to the debate this afternoon and evening, one thing is clear, and that is that all the members who have spoken from every part of the House are in favour of the principle of the resolution, the principle that every endeavour should be made by

governing bodies in Canada, by this parliament and by the government, to see to it that Canadian ports are used to the greatest possible extent for the shipment of Canadian products and for the importation of goods into this country. That is the principle back of the resolution, and I am sure every hon. member of the House is in accord with it.

With regard to the manner in which this object should be brought about, a great deal of investigational work has been done during the past year. The resolution before the House suggests a course in relation to it. The amendment moved by my hon. friend from Vancouver Centre (Mr. Stevens) seeks still further to widen the scope of the resolution. Then we have the suggestion of the hon. member for St. Lawrence-St. George (Mr. Cahan) that the resolution might well be referred to the Railway committee of the House. I shall deal with that suggestion first, and I may say frankly that I have no intention, nor has the government any intention, of opposing the suggestion. I would point out, however, that we would then be in this position: the matter would be under investigation at one and the same time by the Board of Railway Commissioners of Canada and by the Railway committee of the House of Commons of Canada. I do not know whether that would be a desirable thing. I do not know whether, when the railway commission is calling before it witnesses in regard to this matter, it would be very wise for a committee of this House to endeavour to secure the presence of the same witnesses, dealing with the same matters, in order to reach a conclusion upon the same general question as was under review by the Board of Railway Commissioners. If it is the will of the House that the Railway committee should deal with this matter, as suggested by the hon. member for St. Lawrence-St. George, there would be no objection on the part of the government. At the same time, as Minister of Railways I do not intend to suggest that it should be so referred, for the reasons I have just endeavoured to state. It may perhaps interest the House to know the circumstances under which the railway commission is investigating at the present time.

Under an order in council dated June 5, 1925, the Board of Railway Commissioners was instructed to make a thorough investigation of the rate structures generally, and so forth, with particular reference to the encouragement of movement of traffic through Canadian ports and the increased traffic westward and eastward through Pacific coast ports, owing to the expansion of trade with the Orient and transportation of products through the Panama canal. That was followed on January 7 last by a more specific order relating to the particular matter mentioned in the resolution. The order reads:

> The Board of Railway Commissioners was directed on the 7th January, 1926, as part of the general rate investigation above referred to, to inquire especially into the causes of Canadian grain being routed or diverted to other than Canadian ports and to take such effective action under the Railway Act, 1919, as the Board of Railway Commissioners for Canada may deem necessary to ensure, as far as possible, the routing of Canadian grain and other products through Canadian ports.

On that specific instruction to take such effective action under the Railway Act as the Board of Railway Commissioners for Canada may deem necessary to secure as far as possible the routing of Canadian products and Canadian grain through Canadian ports, the present proceeding is being taken.

Mr. MEIGHEN: Is the same matter not also referred to the Duncan commission?

Mr. DUNNING: In general terms as affecting the Maritime provinces, yes. As affecting especially the Maritime provinces, the Duncan commission is not debarred from bringing under its purview this matter of routing Canadian products through Canadian ports. The order in council appointing the commission refers to all the complaints which have been made in regard to the Maritime provinces, and the operative part of it gives to the Duncan commission general powers to investigate all or any of the matters therein contained.

Mr. CAHAN: In view of the fact that the railway rates are the same from the bay ports and from Fort William to Halifax and St. John as to the American ports which I have mentioned, in what way would the reference to the railway commission, as just stated, or any finding of the commission, influence the action of the management of the Canadian National Railways so as to compel them to direct that traffic to Canadian ports instead of to American ports, the rates being the only thing coming before the railway commission?

Mr. DUNNING: I was intending to leave alone my hon. friend's insinuation in his address in regard to the motives of the Canadian National management, because I feel reasonably sure he would not desire the inference to be drawn from them that I am sure every hon. member of this House did draw.

Mr. CAHAN: There is no inference necessary. I stated openly and frankly what I meant, and no improper inferences can be drawn from what I said, I am simply dealing with facts.

Mr. DUNNING: My hon. friend certainly quoted the opinions of railway men, and he left the impression that he believed that Sir Henry Thornton, President of the Canadian National Railway System, deliberately diverted to United States lines traffic which that system could and should handle.

Mr. CAHAN: Will the hon. member allow me, as a matter of privilege, to state that I did not quote and did not purport to quote railway men? I said that the suggestion had been made in the press, and it has been made and repeated in the press, that the Canadian National Railway has never used its influence as it properly could as a railway, to have that traffic go to Canadian ports instead of to United States ports.

Mr. DUNNING: I thought I heard clearly what my hon. friend said—

Mr. CAHAN: As a matter of fact I have not talked to a railway man in the last two or three years with regard to railway rates or anything of the sort.

Mr. DUNNING: I think we understand each other now. My hon. friend wishes this House to understand that he believes and desires this House to believe that the president of our National railway system deliberately diverted traffic, which might be carried by the system of which he is president, to competing railroads in other countries.

Mr. CAHAN: I have not said that at all.

Some hon. MEMBERS: Oh, oh.

Mr. CAHAN: Hon. gentlemen may laugh, but some honesty and consistency are necessary in a discussion of this character in this House. I said that he was not using his influence to divert traffic to Canadian ports. That is my accusation; that is what I said, and that is what I repeat. When the hon. gentleman seeks to convey the impression that I said he was active in doing the contrary, he is giving to my statement a sinister meaning which is not within the range of a fair inference from that statement.

Mr. DUNNING: I am willing to have all sorts of interruptions; but does my hon. friend not remember stating that Sir Henry Thornton was much more familiar with traffic routing procedure on the Pennsylvania railroad and the Boston railways than he was with the Canadian National Railways? I do not want to be unfair to my hon. friend, and personally I accept his statement that he is not inferring any wrongdoing on the part of Sir Henry Thornton. But certainly on listening to him earlier this evening I gathered the idea he was at least conveying the impression that Sir Henry Thornton was not true to the trust imposed in him as president of the Canadian National Railways. I am willing to accept my hon. friend's statement that he has no such intention.

Mr. CAHAN: I do not say that. May I interrupt again? I would like the hon gentleman to understand what I do say, and I repeat it so that it may percolate into his intelligence. I say the facts disclose that the Canadian National Railway management is not using the utmost of its influence and authority in order to divert that grain traffic to Canadian ports instead of to United States ports, and I suggested that the matter should be referred to a committee so that railway officials might be called before that committee to give such explanations as they can under the circumstances.

Mr. DUNNING: I understand that clearly. It has percolated my dull intelligence that that is part of what my hon. friend said, but he said a great deal more than that. We shall have an opportunity of reading his remarks in Hansard to-morrow morning and then probably this question of what was said or not said can be settled definitely.

Mr. CAHAN: Quite so.

Mr. DUNNING: As to the last question that the Canadian National is not doing all it might do to divert traffic,—I think "divert" was the word used—through Canadian ports, I have some little familiarity with the business of shipping grain, and it is to the business of shipping grain that this resolution and my hon. friend's remarks particularly refer. I know that when an exporter is shipping grain from the head of the lakes he arranges his transportation over the railroad or down the lakes, or both as the case may be, in order to fit in with ocean transportation which he has probably also arranged for. The exporter arranges for his ocean tonnage, his ocean space; he buys it as a commodity the same as anything else is bought. He knows when it will be available and at what port. He buys it and the business of the railroad is to take the grain where it is ordered by the

shipper to take it. This criticism, however, centres on the Canadian National; and let me say that I am both a Canadian Pacific and a Canadian National man.

Mr. CAHAN: Possibly more Canadian Pacific than Canadian National just now.

Mr. DUNNING: That is another unfair inference which my hon. friend will probably deny in a few moments. It has been my privilege as Minister of Railways of my province to co-operate with the managements of both these railways, and as Minister of Railways of Canada may I say that I intend to try to do the same thing here.

Mr. FOSTER: Did I understand the minister to intimate to the House that all traffic is routed by the shipper? Because if so, why does the Canadian National Railway itself maintain a staff in Chicago to bring vast quantities of shipments all the way up to Montreal and down to Portland as against using the New York Central or the Pennsylvania going directly by a route three hundred miles shorter?

Mr. DUNNING: Of course in Chicago the Canadian National as well as the Canadian Pacific are endeavouring to secure United States grain business for Canadian railroads, and both of them get a great deal of it. I will give the figures to my hon. friend when I get along a little further. It is rather hard on a new and green member of the House to be interrupted, but I welcome interruptions if I can get back to the thread of my subject a little later on. Naturally, in Chicago our railways are endeavouring to secure United States business over Canadian lines, but the shipper of that grain can choose his ocean port and he arranges his own ocean space. The Canadian National probably has in Chicago connections with several brokers who are selling space in ocean vessels calling at a number of Canadian and United States Atlantic ports; but in regard to the general practice in the grain business I can assure my hon. friend that the shipper buys his ocean space and lake space. That is a commodity that is dealt in at Winnipeg, Montreal and, I presume, other ports as well. But as a matter of fact in closing up an export transaction in grain in Winnipeg the shipper tries to tie together three things: the price of the grain in the bin at Fort William, what it will cost him to get it to the ocean ports, and the space on the ship. Those factors are settled so far as price and date are concerned before he can really close the export transaction for his grain.

[Mr. Dunning.]

Now, I should not like the House to get the impression that the railways cannot exert any influence whatever in connection with shipments. I think the moral influence of all our Canadian railways with their shippers should be exerted at all times in the direction of securing shipment for Canadian products—or American products, for that matter—over Canadian railways and through Canadian ports. That is good business for Canada. And with regard to the general question, may I say to my hon. friend from St. Lawrence-St George that if as Minister of Railways I find any tendency on the part of that railway which is most closely connected with the government and with the parliament of Canada to influence shipments through American ports which from the point of view of the shipper might come just as readily through Canadian ports, all the influence which I have will be exerted against that practice. If my hon. friend can offer to me anything beyond the bald statements of bulk figures of Canadian grain which went via American ports—and which by the way include Canadian Pacific as well as Canadian National shipments—as evidence that Sir Henry Thornton—well, I will not go into what my hon. friend said, for there is some difference of opinion as to what he really did say.

With the general principle of the resolution, as I said at the outset, I have no doubt the House is pretty generally agreed. My hon. friend from Vancouver Centre (Mr. Stevens), in moving his amendment put his finger on the difficulty—I am afraid his amendment increased the difficulty rather than reduced it—when he pointed out that there is a body specially provided by parliament to do this work now investigating this very matter, having at its disposal the services of experts to determine the value of the evidence submitted. This body is charged under the order in council which I read to take such effective action under the Railway Act as it may deem necessary to ensure as far as possible the routing of Canadian grain and other products through Canadian ports.

Much has been said regarding the use of the National Transcontinental for grain shipment. All-rail haulage of grain, judging from past experience, will not likely be a very important portion of the total movement of Canadian grain eastward. There again arises an interesting question on how the business itself is conducted. The desire of the grain shipper is always to get his grain east of the lakes as soon as possible before they freeze up. During the heavy shipping season grain naturally flows down the lakes to Montreal

and other ports. That is the cheapest way. Some of it goes via Georgian bay ports on what is known as the lake-and-rail route at a special rate from bay ports to Montreal during that season of the year. If I remember rightly, the rate when I was in the business was five cents from bay ports to Montreal during the season of navigation on the lakes. Just before the lakes freeze over, the grain exporter makes every effort to get all the grain he possibly can east of the lakes. Why is that? To take care of his winter commitments in Europe and thereby save the extra cost of the all-rail haulage around the lakes or otherwise, whichever route is taken. The desire of the trade every year, a very natural desire, is to get sufficient stock stored in the terminal elevators and transfer houses, a list of which was read by my hon. friend from St. Lawrence-St. George, in order that being east of the lakes, nearer the sea, they are able to take their grain easily to the Canadian and American Atlantic ports rather than pay the extra cost of the all-rail haul, which everyone sees must be higher than the lake rates.

We have had an investigation recently by the Royal Grain Inquiry Commission touching this matter very closely. The report has been referred to on several occasions during the debate. In this connection I want to place on Hansard some figures which relate to another phase of the subject. Much has been made, and properly so, of the volume of Canadian grain which passes through American ports, but it is not generally known that there is a very large amount of American grain going through Canadian ports. I have here some figures from my department regarding the matter. I find that in the crop year of 1921-22, 89,573,000 bushels of American grain passed through Canadian ports.

Mr. CAHAN: Which ports?

Mr. DUNNING: Montreal, Quebec and St. John.

Mr. CAHAN: What amounts?

Mr. DUNNING: I will give my hon. friend detail figures. These refer to all grains, not to wheat alone. In that year 81,507,000 bushels of American grain passed through the port of Montreal, 3,243,000 bushels passed through the port of Quebec, and 4,822,000 bushels through the port of St. John. That was a heavy corn year in the United States. The following year the total figures of American grain passing through Canadian ports were 55,313,000 bushels, the following year again 28,717,000 bushels, and last season 31,767,000 bushels. The volume fluctuates of course in relation to the exportable surplus of United States grain. It must be so. In a heavy producing year in the United States, a year when the exportable surplus of that country is greater, the volume passing out through Canadian ports is also greater.

Mr. FOSTER: Will the hon. minister permit another question?

Mr. DUNNING: Certainly.

Mr. FOSTER: What other reason is there, if any, for that grain coming through Canadian ports?

Mr. DUNNING: I am coming to that.

Mr. FOSTER: Is it not the fact that their own avenues of export are clogged up in the bottle neck of New England and they must export this way?

Mr. DUNNING: I will give my hon. friend the reasons on authority possibly better than my own. The Royal Grain Inquiry Commission looked into this matter, and I think its report is now regarded in the grain trade and in railway circles as a text book upon the subject of grain handling in Canada. The information contained in that report is generally regarded by growers and shippers as pretty authentic; there may be differences of opinion with regard to minor matters, but in general the report is the most complete compendium on the subject now extant. This is what the report says touching this matter, at page 145:

Canadian and American ports:

While shipments of grain from Montreal make it the leading grain port of the north Atlantic, it is well known that a large proportion of the grain shipped from there comes from the United States. On the other hand a large part of the Canadian export grain goes through the port of New York or other north Atlantic United States ports. There is a simple explanation to this apparently paradoxical situation. At all times grain will flow along the cheapest route to the Old World entrepots. It is very sensitive to variations in freight rates. The rates that must be considered are not merely the Atlantic freight and insurance rates but the total of rates from the western terminals on the Great Lakes to the ports of entry on the other side of the Atlantic.

That is exactly the point I was making a few moments ago.

When this is considered a net difference of a sixpence a ton in favour of one route over the other will attract the traffic.

Later on in the same report at page 146, dealing with the same matter, I find the following:

We are now in a position to point to certain conditions which govern the flow of grain during the course of the year to these ports. The American harvest matures several weeks earlier than the Canadian. As a result, the advantages of the St. Lawrence route at-

tract heavy shipments from American lake terminals to Montreal. By the time the flow of Canadian grain begins to assume volume a large part of the American export of grain has been accomplished. On the other hand, on account of the lateness of the Canadian crop, the end of the grain shipping season is approaching on the St. Lawrence, before it does at the head of the lakes. This fact is of great significance as explaining partly why so much Canadian grain goes via New York and other American North Atlantic ports. When the flow of Canadian grain is still vigorous, navigation on the St. Lawrence ceases. Commonly it closes about two weeks earlier than navigation on the Great Lakes.

That is a very important factor in connection with this whole matter. The movement eastward over the Great Lakes is facilitated, but the grain is prevented from going out by the port of Montreal.

Mr. MacLAREN: May I ask a question?

Mr. DUNNING: Certainly.

Mr. MacLAREN: Does that apply also to Quebec? Is not the port of Quebec open for about two weeks longer than the port of Montreal?

Mr. DUNNING: I am afraid any answer to that question might possibly produce an argument among my hon. friends from the province of Quebec. There may be some difference between the relative availability of the two ports, but in general, as applying to St. Lawrence navigation, this statement is true. Taking the general average of movement down the Great Lakes and the movement out of St. Lawrence ports, what is stated here is true. I continue quoting:

Hence the flow of grain for this latter period is deflected towards Buffalo or the Georgian bay or lower lake ports from whence it will move to tide water by rail. The end of the season finds these bay, lower lake and Buffalo elevators filled with grain which will move out gradually during the winter. The grain carrying fleet on the Great Lakes takes a final cargo for winter storage and a large part of this fleet ties up at Buffalo for the winter. When spring comes, their grain is discharged and moves out chiefly via New York.

In the spring movement one additional factor is of importance. During the winter the bay port and Buffalo elevators have become emptied of their stock in store. The first movement of grain down the lakes in the spring is to these ports as the most expeditious route to tide water. It will thus be seen that the explanation for a large movement of American grain through the port of Montreal and a large movement of Canadian grain through New York and other United States Atlantic ports rests chiefly on seasonal changes affecting the St. Lawrence route.

It might reasonably be inquired why there is not a considerable movement of grain from the bay ports to St. John and Halifax.

This touches the very point especially emphasized by the hon. member for St. Lawrence-St. George.

At present there is some movement in that direction, and at St. John this movement appears to be growing. The obstacles to a larger movement appear to be partly high freight rates and partly the absence of available cargo space offering at low rates at these seaports. As we have pointed out above, grain is an excellent basic cargo. As traffic grows at Halifax and St. John a large quantity of cargo space will offer regularly for the transport of grain. When this occurs more grain should move during the winter months through these ports. Lately Halifax has been put on the same insurance basis as New York.

That is an important advance.

This removes one factor which has militated against her in the past.

The situation at Quebec is virtually that of Montreal, with the additional advantage of a longer season.

That confirms what my hon. friend just asked.

There does not seem to be any reason why the port of Quebec should not share with Montreal a part of the advantages of the St. Lawrence route. Montreal has developed wide business connections in the grain trade so that the traffic is accustomed to move through this port. It is open to Quebec to do the same thing; no physical obstacles lie in the way of the inauguration of an extensive grain export trade. Indeed, as the capacity of the port of Montreal begins to be taxed at the peak of the movement, a part of the traffic might with advantage move to Quebec. Quebec also enjoys a more favourable insurance rate and is 180 miles nearer to Liverpool than is Montreal.

Then the commission goes into this very matter of freight rates, which of course touches every matter under investigation in connection with that part of Canada, or indeed in connection with the economics of any part of Canada. The freight rate situation has an important bearing upon our national life, and I presume there never has been a commission appointed to look into anything connected with the economics of Canadian business or national life which has not reported in some sense or dwelt, shortly or at some length, with the matter of freight rates. It is of very great importance, touching every subject as it does. Regarding freight rates, the commission has this to say:

Upon several occasions we were asked to recommend that rates be granted on export grain over the Canadian National Railways to Montreal, Quebec, Halifax and St. John, sufficiently low to deflect to them the traffic which now goes by rail to the Atlantic ports of the United States.

These suggestions were made to the Royal Grain Inquiry Commission.

The object sought to be attained is undoubtedly a most worthy one; the preservation of Canadian trade for Canadian ports and the expenditure in Canada of a large amount of money which is now earned annually by United States railways. The subject forms an important part of a still larger question which has engaged the attention of parliament in the past, and is still in the forefront of our national problems which await solution. In 1922, the Senate of Canada investigated the question of the export of Canadian grain and appointed a committee to examine expert witnesses on the subject. Evidence was given by railway officials, shippers, members of the grain trade and other business men.

In its report the committee emphasized the desirability of steps being taken in the national interest to divert this export grain traffic to Canadian ports, and recommended specifically (1) the lowering of rates on the Canadian National Railways, (2) the providing of greater elevator accommodation at Canadian ports, and (3) the making of an arrangement by the government whereby marine insurance rates from Canadian ports might be lowered to meet the rates prevailing from United States ports.

I would here call the attention of the House to the fact that real advances have been made in connection with the recommendations of that Senate committee. Marine insurance rates are now on the same basis from Canadian Atlantic ports as from American Atlantic ports; that has been accomplished. With regard to greater elevator accommodation an elevator has been provided at the port of Halifax. That is surely an advance. Then the commission goes on to deal with the evidence placed before it regarding this matter, and admits that it is not competent—I do not know that that is exactly the word used —to determine this question, but suggests that it is a proper matter to be investigated by the Board of Railway Commissioners for Canada.

I have one or two more points, Mr. Speaker, but I do not intend to keep the House at great length in this matter. The mover of the resolution appeared, quite fairly, to discuss the relationship of this matter to the regular rates prevailing down the lakes, and from Georgian bay ports, to Montreal. He pointed out that in at least two years the 11 cent rate which he was advocating would have proved a regulator of Canadian lake rates on grain. I am sure he would be the first to admit that the condition in question is not a normal one; that it is rather exceptional; that under normal circumstances we could not expect any of this grain to move by rail on an 11 cent rate while the Great Lakes were open. Lower rates would normally prevail by boat down the lakes, or by a lake and rail rate via Georgian bay ports.

Mr. CAMPBELL: If the minister will permit an interruption, that is precisely the argument I used.

Mr. DUNNING: Yes, exactly. I am confirming the fairness of my hon. friend's argument in that regard; in fact, I think they are the only two years in recent history when the conditions which he used for an illustration would be exactly applicable. Considerable evidence has been placed before the Board of Railway Commissioners in regard to this whole matter, and I want to be very careful that I do not, as Minister of Railways, say anything that might be used to prejudice a case that is now before the Board of Railway Commissioners; in fact, I have been in some doubt all afternoon whether parliament should or should not be discussing a matter which is now sub judice, being under investigation by a judicial or semi-judicial tribunal. It is my duty at least, I take it, not to say anything in the way of expressing an official opinion as to what the commission should or should not do in their determination of a case upon which they are now taking evidence in various parts of Canada.

Mr. MEIGHEN: If the hon. minister will permit me, he will recognize that the case was also sub judice when it was referred by the government to the Duncan commission.

Mr. DUNNING: Of course, it was not, in the sense my hon. friend puts it, referred to the commission.

Mr. MEIGHEN: Oh yes, directly.

Mr. DUNNING: No, not in that sense.

Mr. MEIGHEN: In what sense was it referred to them?

Mr. DUNNING: We will not quarrel about that. At least we may say this, that whatever the government did by way of mentioning the matter as one of the Maritime province grievances in the preamble to the order in council, members from the Maritime provinces have given ample evidence here to-day that it is one of the Maritime province grievances, and when we were appointing a commission to look into the whole question raised by the Maritime problem it would have been regarded as impossible to eliminate the question of Canadian grain going through Canadian ports from the purview of the commission.

In relation to the resolution now before the House, may I suggest to my hon. friends on both sides who have spoken that largely the purpose of the mover of the resolution has been served by the discussion which has so far taken place or which may take place, and I think no good purpose can be served by passing a resolution which by its terms may readily be taken as a definite instruction to the railway commission from parliament in connection with a matter they are now investigating and taking evidence upon. Because this resolution not only affirms a principle with which I am sure the House would be in entire agreement, namely, that freight rate discriminations against the port of Que-

bec should be removed, but it goes further and says that:

—grain should be transported over this particular route on the same mileage basis as that applying from prairie points to the head of the lakes.

Then the hon. member for Vancouver Centre further complicates the situation by adding as an amendment that we should adopt the same principle and apply it, not only to grain, but to the moving of all freights from the prairies to the Pacific coast ports.

Mr. STEVENS: Between. Do not forget that between.

Mr. DUNNING: I did not catch my hon. friend's remark.

Mr. STEVENS: Between the prairies and Pacific coast ports.

Mr. DUNNING: My point was this. The original resolution deals only with grain, and it says that grain should move forward on the same mileage basis as that applying from prairie point to the head of the lakes. My hon. friend from Vancouver Centre wants the same mileage basis as that applying to grain to apply to all freights.

Mr. STEVENS: No, the same principle.

Mr. DUNNING: The same principle to be applied to the moving of all freights.

Mr. STEVENS: To the fixation of rates of freights.

Mr. DUNNING: But applying the principle to the movement of all classes of freight, whereas the intention of the mover of the resolution was to deal only with grain. The amendment widens the whole scope of our discussion very, very materially, and I wonder if the House is prepared to pass such a sweeping resolution as that in the confused terms to which it has been reduced by the amendment of the hon. member for Vancouver Centre.

Mr. CLARK: Does the minister distinguish between wheat and other natural products?

Mr. DUNNING: I am not distinguishing between wheat and other natural products at all. I am merely stating—

Mr. CLARK: If the minister does not wish to answer my question—

Mr. DUNNING: I will give my hon. friend a reply if he will sit down and give me an opportunity to do so.

Mr. CLARK: Perhaps the minister would permit me to put my question again; I do not think he understood it. If he does not want to answer the question, of course, I am quite prepared to sit down. I wanted to know whether the minister sees any difference in principle in applying certain favourite rates to wheat and to other natural products, say lumber, or coal, or anything peculiar to the particular province.

Mr. DUNNING: The matter I was discussing was the application of the mileage rate on grain to all freights, and I think every member of the House knows what a wide question that would open up with respect, for instance, to the utilization of cars for different commodities of different weights and different bulk. I would like to see a common principle with respect to the shipment of all kinds of freight, but it would be a very wise man indeed who could lay down a principle for applying a common mileage basis to all classes of commodities regardless of their bulk and weight, and regardless of their relative bulk and weight combined. That is one of the most intricate problems of rate making, and I feel sure my hon. friend quite clearly understands how difficult it is to establish the common principle which he is endeavouring to get me to assent to.

Mr. CLARK: I quite clearly understand that my question has not been answered.

Mr. DUNNING: Perhaps by and by I shall attain that wonderful ability which would be required to give a categorical answer to a question of that kind. Some questions cannot be answered by a plain yes or no.

I do not think I have anything more to say on this question, Mr. Speaker. I did not intend to speak at such length, but the constant inquiries for information have kept me longer than I had intended. The position of the government is this: If the House desires to refer the matter to the Railway committee of the House, very well, but I do wish again to point out that we would then be in the position of having a committee of this House investigating a matter which is now under investigation by the Board of Railway Commissioners.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, this is certainly a very important question which has been brought before the House, and there is no doubt that the hon. member for Mackenzie (Mr. Campbell) has performed a national service in bringing this matter forward. Speaking as a representative from the province of Ontario, I think there is no section of the Dominion to which this whole question of railway transportation and freight rates is more vital. While in many parts of Ontario we do not ship grain to the same degree as other sections of the Dominion.

we ship the finished product in very large quantities. After the very interesting discussion which we have heard to-day, which has been participated in by members from almost every province, I am quite certain that it is the feeling of the House that so far as possible justice should be done to every province, and in view of the fact that this question is now before the Board of Railway Commissioners, a judicial body, I think it would be well for the present to leave it there, where in my opinion it will be thoroughly investigated. Mr. Speaker, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

REARRANGEMENT OF DEPARTMENTS

Mr. MACKENZIE KING moved the adjournment of the House.

He said: With the permission of the House I would like to make a brief statement I had intended to make had we reached the orders of the day to-day.

On March 15, replying to a question of the leader of the opposition, I stated that it was the intention to have the Department of the Secretary of State assigned to the Minister of Justice, and to have the Department of Soldiers' Civil Re-establishment and the Department of Health assigned to a minister in charge of one of the other departments of the government, and of this I would make further announcement later.

I now desire to inform the House that the order in council assigning the Department of the Secretary of State to the hon. the Minister of Justice was approved by His Excellency on March 24, 1926, and that by order in council approved on the 16th instant the Department of Soldiers' Civil Re-establishment and the Department of Health were assigned to the hon. the Minister of Labour.

Mr. MEIGHEN: Would the Prime Minister say whether there will be any budget modifications or emendations to-morrow?

Mr. MACKENZIE KING: I think my right hon. friend may rely upon there not being any.

Mr. MEIGHEN: To-morrow?

Motion agreed to and the House adjourned at 11.43 p.m.

14011—166½

Tuesday, April 20, 1926

The House met at three o'clock.

REPORT TABLED

First report of the select standing committee on Railways, Canals and Telegraph Lines—Mr. Cahill.

CANADIAN NATIONAL RAILWAYS—ANNUAL REPORT

Hon. C. A. DUNNING (Minister of Railways and Canals): Mr. Speaker, I beg to lay on the table copies of the annual report of the Canadian National Railway system for the year ended December 31, 1925. This report is printed in English and French and copies are being supplied to the Senate and House of Commons post offices, to be placed in the post office box of every member of both houses.

CANADA SHIPPING ACT, AMENDMENT

Mr. A. C. CASSELMAN (Grenville-Dundas) moved for leave to introduce Bill No. 23, to amend the Canada Shipping Act.

He said: The object of this bill is to do away with the discrimination which now exists between ships clearing from Montreal eastward and those clearing from points west of Montreal eastward with respect to pilotage dues, the latter class being obliged to pay such dues if they go east of Montreal whether they carry pilots or not, while in the case of the former class pilotage dues are not charged unless pilots are used.

Motion agreed to and bill read the first time.

REARRANGEMENT OF DEPARTMENTS

POST OFFICE DEPARTMENT

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, last evening the Prime Minister (Mr. Mackenzie King) announced certain orders in council transferring departments. I observe no mention was made of the Post Office Department. What is the intention of the government in respect to this department?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Postmaster General, Hon. Mr. Murphy, as my right hon. friend knows, occupies a seat in the Senate. No change will be made in that regard during the present session of parliament.

Mr. MEIGHEN: I am asking what is the intention of the government. Is it the intention to make the change later?

Mr. MACKENZIE KING: I will give my right hon. friend further word on that point later.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE.

The House resumed from Thursday, April 15, the debate on the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, before dealing with the subject matter of my address I want to compliment the Minister of Finance upon the presentation of his budget. It was concise, well put together and expressed in clear, terse language. I like the human touch which he gave in the concluding paragraph of his businesslike address, a touch that we sometimes lack in this House, and I compliment him on his very able presentation of a difficult subject. With the subject matter I shall try to deal as concisely as I possibly can.

I do not pretend to be a financial critic at all, Mr. Speaker, and what remarks I have to make in connection with the financial statement will be very largely a repetition of what the Minister of Finance has already told us in his budget statement. However, just to make it plain to myself at all events, I am going to run over some of the figures that he gave us at the commencement of his address.

He told us that the total estimated revenues for the year ended March 31, 1926, amounted to $376,800,000; that the estimated expenditures chargeable to consolidated fund amounted to $321,800,000, leaving a surplus of revenue over ordinary expenditure of $55,000,000.

Capital expenditure for public works amounted to $4,930,000; for railways and canals, $12,005,000, of which the larger amount, he explained, was for the Welland canal. The total net capital expenditure for the year amounted to $16,935,000. Other expenditures, such as the adjustment of war claims and the refunding of maturing war loans, amounted to $4,155,000, making a total of $21,090,000. Deducting this amount from $55,000,000 leaves a surplus of $33,910,000.

The total expenditure for all government services was $342,890,000, and the estimated revenue receipts for the year, $376,800,000 leaving a surplus of $33,910,000, as I have already said.

Then there have been special receipts and expenditures not included in the year's business, one of which was the loan of $10,000,000 to the Canadian National Railway. There were other special expenditures, bringing the total excess of special expenditures over special revenues to $11,557,000. This deducted from the $33,910,000 leaves a surplus of $22,353,000, which amount can be deducted from the national debt.

The national debt for 1925 amounted to $2,417,437,685.59 After deducting $22,353,000 from this amount, we have the total national debt at $2,395,084,685.59. I have no criticism to offer, Mr. Speaker, in connection with these figures. We are glad to know that there has been some slight reduction in the national debt, and that there is a surplus of $22,000,000 odd in the year's budget.

Now in regard to the estimates for the coming year, the amount named in the main estimates is $345,771,351. To this must be added other expenses and something for supplementary estimates, bringing the total for these additional expenses up to about $36,000,000, making the total estimated expenditure for the year $381,871,351. Looking over that amount it seems to me there is not going to be much less spent this year than last, and I think the minister has been quite optimistic in making up his budget when he thinks we are likely to have the amount of revenue he estimates for the year. If things go well and the country prospers during the next year, and we have a good crop, perhaps we may have a balanced budget, but if it should be otherwise, I am afraid it is just possible we may have a deficit instead of a surplus next year; but I am not going to pour cold water on the minister's hopes, and trust that we shall have a prosperous year.

There has been a wonderful revival of trade during the past year. Our exports increased over those of last year by the sum of $249,000,000. Our imports increased by $130,000,000 and our exports exceeded our imports by the sum of $402,695,000. I am inclined to believe, Mr. Speaker, that this large increase in our exports over our imports is largely due to the magnificent crop we had last year in the Dominion of Canada, more especially in the western provinces. Of this increased trade, 90 per cent is accounted for by empire trade. This, I am inclined to believe, would be made up very largely of our exports of agricultural and other natural products that we exported to Great Britain and other countries during the past year.

One of the encouraging features of our export trade is the large growth that has taken place in our export of cattle. For the year 1923 we exported cattle to the number

of 25,758, valued at $2,809,796, and three years later, in 1926, we exported cattle to the number of 106,200, valued at $11,283,007, or almost five times the value of our exports three years previous, in 1923. This is very encouraging, and emphasizes the necessity of adequate provision being made in regard to the shipment of our cattle across the Atlantic ocean, and that freight rates be brought down to a proper point so that this trade may be increased.

Reviewing the cattle trade for a moment, during the years from 1901 to 1911, those wonderful growing years for Canada, when immigration was pouring into the country and we were building railroads and spending vast sums of money, we had a good trade in cattle, and the demand was domestic. These immigrants were pouring in, and hundreds of thousands of men were employed as railroad labourers, and they consumed nearly all the meat that was raised in the Dominion of Canada at that time. Consequently we had a good market then for our cattle. But then there came a flattening out about the year 1913, when things became very dull in the cattle trade. The war broke out in 1914, and we know what happened then. Prices rose very rapidly, and a ready market was found at high prices for all the cattle that we could raise. During the war the United States was glad to buy our cattle at high prices. But when the war was over, what happened? Our friends to the south again put up the fence. We had let our export trade go to pieces, and had no arrangements made for shipping cattle to Great Britain, and consequently the whole cattle trade fell very flat, and as a great many people are aware, a good many people were ruined. They were really bad times so far as the cattle trade was concerned. Since then we have tried to rearrange our cattle export trade to Great Britain, and as I have already pointed out we have made a considerable advancement in the three years from 1923 to 1926, almost $12,000,000 being received for the cattle we exported to Great Britain in the year 1923. This, Mr. Speaker, I think should be a reason why the government should be alive to the fact that it is necessary to see that proper bottoms and adequate accommodation are provided for the export of our cattle, and that freight rates on the Atlantic be reduced to the lowest possible point. It was rather unfortunate that the attempt that was made last year to make some advance in this direction did not succeed, but I hope the government will not be disheartened and that something will be done to see that this trade is properly taken care of.

Mr. SPEAKER: May I ask hon. members not to indulge in conversation. I cannot hear the speaker.

Mr. FORKE: I want to say a few words in regard to our railway finances. The annual statement of the Canadian National Railways for the past year shows that the surplus of net earnings amounted to $33,000,000. This is very satisfactory indeed. The report goes on to say that the annual interest charges for the past year amounted to $71,800,000. In the hands of the public there are interest bearing bonds and other securities amounting to $40,400,000, leaving a balance of $31,400,000 that is a liability to the government for interest and so on. Now if we take the $40,400,000 of interest that is due the public and deduct the $33,000,000 surplus of net revenue we find there is a deficit of $7,400,000. I am sure that when the public learns the fact that the deficit on the Canadian National Railway amounts to only $7,400,000 there will be a sigh of relief throughout the country. The statement goes on to say that during the year just closed the financial assistance to the railways by the government amounted to $10,000,000. There were no government guarantees and no floating indebtedness has been incurred. An unspent balance from 1925 of $2,700,000 has been utilized. The advance of $10,000,000 has been charged to the net debt of the Dominion, the railway loans being treated as non-active assets. I am inclined to believe they will be non-active for a very long time indeed. However, that is by the way. The loan of $10,000,000 covers the loss of $7,400,000 already referred to, leaving a balance of $2,600,000 for capital purposes. The total loans and payments made by the government to the railways now amount to $601,000,000. This includes interest and capital cost of the government railways. The financial position of the railways has improved immensely during the last few years, and no patriotic Canadian can read the statement without feeling proud of the achievements of the management of the Canadian National railways. A splendid service has been given the country, and year by year the system has been advancing until we are almost within measurable distance of the time when there will be a balanced budget, and perhaps in the not very far distant future these railways will be an asset to this Dominion instead of a liability.

I do not like to pass from a consideration of the railway situation without saying a word in regard to the Canadian Pacific Railway. Every patriotic Canadian wishes to see the Canadian National Railways flourish and become a profitable asset. At the same time

he also wishes success to the Canadian Pacific Railway. There cannot be any other desire than that the Canadian Pacific should go on and prosper. It has done great things for Canada although, of course, many people think the country has done a great deal for the Canadian Pacific. Undoubtedly the interests of Canada and the Canadian Pacific are interwoven and when one flourishes the other must flourish also. Of course, we want our freight rates to be as low as they possibly can be. At the same time we can still carry on the battle and hold our end up. Our desire is that both the Canadian National Railways and the Canadian Pacific should flourish and prosper.

This leads me to say a few words in regard to income tax reduction, and I am going to read an extract from the Manitoba Free Press in regard to that subject which will give hon. members an idea of what the opinion in Manitoba at least is with regard to income tax reduction. The Manitoba Free Press says:

> The cuts in taxation are all economically sound and politically judicious.

I hope my hon. friends to the right will notice the statement that what has been done is politically judicious anyway. The editorial goes on to say:

> The rate of taxation upon automobiles was a scandal; once it was directly attacked as it was both last year and this session by Progressives and Liberal members, it became evident that it could not stand; but there was still the doubt whether the government would have the courage to deal with the question directly. To have passed the difficulty to the tariff board, which the government was beseeched to do would have been a political blunder of the first order. The tariff on automobiles is still substantial—27½ per cent on cars costing over $1,200 and 20 per cent on cars below that figure. These rates, with a drawback of 25 per cent on raw material will still leave the automobile manufacturers in a strongly protected position, while the cuts will mean a substantial reduction in the price of cars. Those artless souls who think there is no connection between duties and prices are herewith advised to keep an eye for the next few weeks on the price of motors.

Mr. Speaker, to that last sentence I direct the attention of the hon. member for Fort William and Rainy River who argued in this House a few days ago that the higher the protection was, the lower the price on the article would be. So I want that hon. member just to keep his eye on the price of cars for the next few weeks and see if it works out exactly in the way he imagines.

Mr. GOTT: How does this reduction compare with the other reduction in Ford cars?

Mr. FORKE: I do not know what reduction the hon. member refers to.

Mr. GOTT: The last reduction, the reduction prior to this one?

[Mr. Forke.]

An hon. MEMBER: That staggers him.

Mr. FORKE: It does not stagger me because I do not know what the reduction was.

Mr. GOTT: Compare the prices.

Mr. FORKE: How can I compare them when I do not know what the reduction was?

Mr. GOTT: Look them up as other people do.

Mr. FORKE: I will if I have time. Perhaps the hon. member will come round and instruct me.

I want to say a few words in regard to the payment of the income tax. I notice that the cuts in income tax were received with a great deal of jubilation by the great mass of people in the Dominion of Canada. I notice also that in some of the eastern papers the statement is made that since time has been afforded to study the question a reaction has taken place. I do not know why there should be any such reaction because it seems to me it was perfectly evident on the face of it what the reductions actually accomplished. I think the cuts in income tax are something we can all indorse. I am very much in favour of reducing the tax on small incomes, that is to say on small salaries up to $4,000. I think that anyone who knows anything about the living conditions in cities, where a man has a family to educate and bring up on a small salary, will realize he cannot afford to pay income tax on a salary much less than $4,000. That feature of the budget I am well inclined to endorse. At the same time I am a believer in the income tax. A vigorous campaign has been carried on, I know it has been carried on in the lobbies of the House, against the income tax as a tax at all, but I am a believer in direct taxation.

Mr. SPENCE (Parkdale): As long as they do not tax you, I guess?

Mr. FORKE: I pay my share of taxations anyway, at least I pay all that I am asked to pay. I have seen it stated that pain is a beneficent thing in the human body. It is a warning held out that something is wrong with the human system. We have sometimes been told that indirect taxation is a sort of painless extraction. It may be the same in the case of the body politic; there may be a painless extraction of taxes that may in the end prove fatal. I am inclined to think that the more we know of the taxes we are paying the better it will be from an individual and national point of view.

I was glad to hear the announcement of the Minister of Finance that there will be an estimated reduction of $25,000,000 in taxation.

I think every one of us is anxious to see a reduction in taxation. Perhaps I might deal with that at the present time, although I intended to do so later. We continually hear it said that business cannot be carried on with the amount of taxes being collected at the present time. I wonder how we are going to get out of paying high taxes for a number of years. I know that we want economy in government. Every party when in opposition talks about economy, and every opposition generally blames the government for being extravagant, but we have found from experience that all governments are about the same, so far as extravagance goes, and I am inclined to believe that any reduction in the expense of carrying on the government is not going to amount to much. What are the conditions in Canada? We are reminded that taxes are now coming down in the United States and it is asserted that Canada must reduce taxation to the same level. But the comparison between conditions in Canada and the United States is not fair or just. Canada went into the Great war, and made great sacrifices which never can be made up. As a result of the financial sacrifices entailed by the great struggle we have a war debt. We have also a large debt on account of the Canadian National Railways which must be taken care of no matter who is to blame for the building of the railways. The United States before going into the war made vast sums of money out of it, and instead of the war placing them in a difficult financial position, they passed from being a debtor nation to a large creditor nation. The conditions in Canada and in the United States are not parallel, and I claim that Canadians who grumble and complain because they cannot get their taxes down to the same level as in the United States are not patriotic.

The incidence of taxation is perhaps just as important as the amount of taxes that a man may pay, and the question as to who pays the taxes is perhaps a more difficult question than a great many people believe. It is not always the men who are complaining the most who pay the taxes, and it is very important sometimes just to find out who is paying the taxes. We find business men complaining about the taxes. Manufacturers cannot carry on, retailers and wholesalers cannot do business because they are paying too high taxes. How does a man conduct his business? What is the first thing he does? He finds out what his overhead will be, and what it costs him to produce a certain article, and his overhead is part of his expenses. If he cannot pay the taxes and carry on business he must go out of business. My hon. friend to my right asks who is going to pay the taxes, and if I am paying my share of them. I raise cattle and I raise wheat, and most of my products are sold in the markets of Great Britain and the world, and when I pay my taxes will hon. gentlemen tell me of any method by which I can add my taxes on to the price of the article which I have to sell. I want hon. members to think over it for a minute. Do you know any way by which a farmer who raises products which have to be sold in the markets of the world can add the amount of his taxes to the price of the article he has to sell? So that I can assure you, Mr. Speaker, that the farmer or the agriculturist is just as much interested in the question of taxation as any man in business who is paying a large tax bill.

I have a few words to say in relation to the reduction that has been made in the taxation on automobiles. As has been stated in an article from a newspaper which I have read to the House, the general tariff is now reduced to 27½ per cent and 20 per cent, and we find a tremendous wail going up from Canadian motor manufacturers over the reduction in taxation. I have great sympathy with our Canadian manufacturers, I want to see them prosper and do well in business, but, Mr. Speaker, if a business cannot be carried on with 27½ and 20 per cent protection, it seems to me there is something wrong with that business. If we have more protection than that I claim the people of the Dominion are paying too much for their whistle and the Dominion as a whole would perhaps be in as good a position without the industry. I am not saying for one moment that we are going to do without them, but I repeat that if they cannot carry on with 27½ per cent protection there is something wrong with the industry.

I picked up a newspaper the morning after the budget had been delivered in the House by the Finance Minister, and I saw what probably all hon. members of the House saw. We read the statement that a certain institution had closed its doors; it was a gloomy day, 3,000 people marched out in the morning to go to work, and found the door shut in their face. The whole situation was dramatic. The manager stated that they had to close their doors because they wished to look over the situation. Perhaps that was the reason, but I have seen a farmer's crop destroyed in ten minutes by a hail storm, his whole season's work gone, and the next morning he pulled out his team and plough and started to prepare for the next year.

Mr. McGIBBON: It was not destroyed by any government was it?

Mr. FORKE: This proposition which is before us is not altogether free trade—27½ and 20 per cent. I notice that the manager of the General Motors Limited over in the United States has taken a hand in this affair, and has made the statement that they can carry on on the Canadian side if they wish to do so, and that they are not very much hurt. I notice that the Ford concern is going to carry on, and perhaps we will see more flivvers on the market than ever before. I do not know much about the automobile trade, but I am going to make the prophecy that you will find most of the companies will go right ahead and will do as much business as in the past.

Mr. ARMSTRONG (Lambton): Not at all.

Mr. FORKE: I want to tell the House that the feeling was very wide spread that the motor car manufacturers had too much protection and that this reduction in the duties on motor cars is a very popular one in Canada.

An hon. MEMBER: What about the shoe business?

Mr. FORKE: I will say a few words about the boot and shoe business. I have an extract dealing with that business and I will read it to the House, because the hon. member cannot wait. We hear a great deal about the terrible condition of the boot and shoe industry, that it is going on the rocks and that the English trade is demoralizing the Canadian trade. I have here a prospectus which I am going to read to the House. It reads as follows:

8 Per Cent From a Well Secured Preferred Stock

We invite you to consider as an investment the 8 per cent preferred stock of the Humberstone Shoe Company.

This company makes "non-rip" children's shoes—600,000 pairs of them each year. It sells them "practically without effort" in Canada, Australia, New Zealand, West Indies and United States.

Its earnings for some years past have been approximately "three times the dividend requirements" of this issue. The management of the company is sound and progressive. The business for the current fiscal year is the largest in the company's history.

If you wish to place your money at 8 per cent, you cannot do better than give consideration to this stock. Write for full particulars.

McLeod, Young, Weir & Co.
Limited
Metropolitan Bldg.
Toronto
Montreal Ottawa Hamilton London

Mr. SPENCE (Parkdale): Would the hon. member like to buy some of this stock?

Mr. FORKE: I clipped this out of a Toronto newspaper and it ought to be correct. There is in the budget some slight indication that the government has remembered the man on the street and the people at large. I have no intention of changing my position in regard to protection and I should like to say a few words regarding what is called adequate protection. The extract that I have just read is an advertisement from an industry that sometimes complains from lack of protection. A few minutes ago I said that it was not fair to be always comparing Canada with the United States. We are continually told that the United States have been prosperous because of their high protective walls, but conditions in the two countries are not parallel. In Canada we have a temperate climate from the Atlantic to the Pacific whereas in the United States they have every variety of climate. They can if they so wish be a self-contained country and produce everything that human beings require. In Canada under modern civilization we must, from the very necessity of things, import a large quantity of the products we consume daily, and that is one of the aspects of the case which we must take into consideration when we are comparing United States with Canada.

The United States, however, is not so self-contained as one would imagine and I will read just a short extract showing what that country is importing even with its high tariff. In 1925, the United States imported $1,818,000,000 worth of agricultural products, $1,000,000,000 worth of which were in direct competition with their own products. I should be glad to have any member tell me why the United States would import $1,000,000,000 worth of agricultural products that they could raise within their boundaries. I can tell hon. members the reason. It was because other countries could raise them so much cheaper than the United States could.

This is a short extract from a communication by Tom King from Washington. Mr. King said:

By a curious twist of circumstances, the price often goes down when the tariff goes up.

A funny thing.

This temporarily disconcerts the protectionist, though later on he will seriously argue that raising the tariff permanently lowers the price.

We know that. That argument has been made in this House.

It so happens that ever since President Coolidge announced that the future tariff on butter should be twelve cents instead of eight cents a pound, butter has been higher in Montreal than it has been in New York. Indeed, the American butter market is quite demoralized, and Canadian cream has gone up.

That shows that even with protection trade will follow the path of least resistance.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: I do not see what is wrong with that. A proposition has been made by members on both sides to compensate western farmers for protection. I think the leader of the opposition (Mr. Meighen) made the proposition at one time—if I am wrong, he will correct me—that something might be done in the way of bonusing the western farmer by means of lower freight rates to compensate them for the high prices he is charged on account of protection. I know if he did not make that proposition, the hon. member who sat in the last parliament for the constituency of St. Lawrence-St. George proposed in the House that freight rates should be lowered for the western farmer to compensate him for the extra price he had to pay under protection. That was economically unsound and impracticable and I would not have anything to do with it. But I value a statement of that kind from the leader of the opposition and from Mr. Marler who sat in this House as a Liberal as showing that they admitted that the western farmer was handicapped and paid a tax because there were high protective duties in the country.

Mr. MEIGHEN: What I stated was this, that I would give concessions in the way of freight reductions because of the fact that the western farmer did not secure as immediate and full results of the protective system as did the people in the east.

Mr. FORKE: I am going to pay the leader of the opposition a compliment. He stated my understanding of the matter in better language than I could. I do not think the average farmer in the Dominion has much to fear as regards being swamped by agricultural products coming in from the United States. I have a friend back in Manitoba whose family have been milking twenty-five cows all winter. They work hard; the women have to do their share, and this idea of protecting an industry has something very enticing about it. My friend does not pay very much attention to politics or economics, and I know if someone went to him and told him that if the government would put a duty of three cents on butter he would get a much better price for his cream, he would immediately say: Why do they not do so? That is exactly how the farmer is led astray in regard to the question of protecting his products. I am sure the dairy farmer of the Dominion of Canada has very little to fear from outside competition. No butter that crosses the Pacific from Australia will ever come into competition with fresh dairy-made butter in this country, and the only time that there will be any competition will be under normal conditions when we are suffering from a shortage of butter. I can remember when the oleomargarine debate took place in the House and terrible pictures were drawn of conditions in the cities because children would have to use oleomargarine instead of getting wholesome butter. When butter during the winter reaches such a high price that the poorer people in the cities are unable to pay it, the farmers of the Dominion will not want any protection that will compel these people to use oleomargarine or any other substitute.

This idea of protection is very enticing. I have been trying anxiously during the present session of parliament to find out just what the position of the leader of the opposition and some of the members who sit on that side is in regard to protection. I had an idea during election time that they were in favour of very high protection—brick for brick.

Some hon. MEMBERS: No, no.

Mr. FORKE: I am going to read a few extracts that I have in my hand and after I have read them perhaps we shall have a better idea of what protection means to my hon. friends to my right. I will read a few extracts from speeches delivered by the leader of the opposition during the election campaign. This is what the leader of the opposition said on September 9, at Wingham, Ont., according to a Canadian press despatch:

> We know that the only thing for us to do is to get up and stand on our feet, adopt the methods that have brought the United States where they are to-day.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: Very well, that is endorsed. The Victoria Colonist's staff correspondent, writing under date October 7, reports the right hon. gentleman as saying:

> We have never stood on our own feet as we should have done, and we have never fought the United States policy with the same policy.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: The applause is not so loud this time. The staff correspondent of the Vancouver Province under date of October 8, quotes the right hon. gentleman as follows:

> What will we do when we take office? I will tell you. We will first address ourselves to framing a tariff policy. We will put our tariff wall right up to the level of the American tariff wall.

In view of all this, why is there so much objection to the brick for brick?

An hon. MEMBER: Not gold bricks.

Mr. FORKE: The only way to build a wall is to place brick on brick. The staff correspondent of the Toronto Globe writes on October 27:

> Mr. Meighen, explaining the Conservative party's tariff platform, said that the party advocated "a tariff comparable to the tariff of our competitor to the south."

The Port Arthur staff correspondent to the Toronto Mail and Empire says on September 29:

> The Conservative leader made a strong plea for a Canada first policy, brick for brick in the tariff wall with the United States.

This is a special despatch to the Mail and Empire.

An hon. MEMBER: That is correct.

Mr. FORKE: There does not seem to be any disagreement with these citations; the House is unanimous for once. The staff correspondent to the Calgary Albertan on October 10, reported him as saying:

> What Canada should do was to put up its tariff wall as high as the American tariff, then we would be in a position to barter.

Now, the leader of the opposition knows very well that in his place in this House during the present session he denied any intention of building a tariff wall brick for brick with the United States. If there is any doubt about this point I will quote from Hansard of last year, at page 3788, wherein the right hon. gentleman is reported:

> Tariffs, like everything else in this world, are relative; a tariff is high or is low arising out of facts in which the policy of other countries bears a very considerable proportion. Four years ago the United States of America had in force a protective tariff, substantially protective; but four years ago the Underwood tariff of the United States was relatively very small compared with the Fordney-McCumber tariff of to-day. . . . . What might have been a sufficient tariff five years ago is, even though uninterfered with, an insufficient tariff to-day.

I do not quote these sentences to reflect in any derogatory sense on the leader of the opposition; I have no doubt he believes in the policy he advocates. But it is desirable, I think, that hon. gentlemen should have firmly fixed in their minds just what the policy of the Conservative party is on the question of protection. That policy is to erect a protective barrier as high as the tariff wall of the United States.

An hon. MEMBER: No.

Mr. FORKE: Hon. gentlemen may say no, but I am quoting the views to which the Conservative party has committed itself. Now I may refer for a moment or two to some of my Manitoba friends who have been putting themselves on record during the present session. What have these gentlemen been saying? The hon. member for South Winnipeg (Mr. Rogers), who is a politician of long experience, is naturally guarded in his statements, and he says that what we want is a tariff that can be used for bartering. That is a very mild and cautious statement. But the hon. member for Winnipeg South Centre (Mr. Kennedy), who is younger, is not quite so careful when he speaks on the tariff. What he wants is an adequate tariff. When you consider that the average tariff to-day is 22.9 per cent as compared with 20.6 per cent when the Conservative party went out of office, you will realize that the hon. member for Winnipeg South Centre is no low tariff man, but rather is right in the middle of the road. And the hon. member for Selkirk (Mr. Hannesson) is an out and out protectionist. Now I am not making these statements and quoting the views of hon. gentlemen for the purpose of censuring them. I simply want to state the facts so that they may go on record.

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: I do not know what is the matter with my friends behind me; they keep on grumbling among themselves. I do not think they are having a pleasant time.

Mr. CAHAN: Which class behind him does the hon. member refer to?

Mr. FORKE: I read sometimes in the newspapers the suggestion that the western members are making selfish demands and I do not think that anyone will deny that those members are so accused.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: Well, I want to know what those selfish demands are. We have stated our position in relation to the tariff and perhaps I may state it again, although not definitely. I am not going to say just how low I want the tariff, but I want a tariff low enough at all times to permit of outside competition. Such a tariff is the only safeguard which the consumers will ever have: there must be outside competition with home industries. And that is about as definite as I will be at the present moment on the tariff. Is there anything selfish in that? It is a legitimate policy and one which we are prepared to stand by. We have nailed our colours to the mast so far as the tariff is concerned and I can see nothing blameworthy in the position we take.

Again, Manitoba and Saskatchewan are anxious to have the Hudson Bay railway completed just as, I suppose, a great many other

parts of the country would like to see this undertaking an accomplished fact. Is there anything selfish in the desire to have that project carried through? I shall read an extract or two in regard to the Hudson Bay railway, so that the House may have all the facts clearly before it. Here is a report from a Winnipeg paper:

At the Meighen-Rogers meeting,—

Observe whose meeting it was.

—held in the Winnipeg rink last fall, a short time before the general election, said meeting being arranged by the Conservative Association of Winnipeg, numerous banners were hung on the walls. One of these, as those who were present will remember, was to the effect that the Conservative party had started and the Conservative party would finish the Hudson Bay railway.

This is very encouraging, for if the present government goes out, as we are frequently told it will, then the Conservatives evidently are just waiting for an opportunity to complete the Hudson Bay railway.

The report continues:

Are we to understand that this statement was not founded on fact? Did the Winnipeg Conservative Association try to pull the Winnipeg public's leg? Furthermore, Hon. Robert Rogers is reported by the Canadian Press as saying at his nomination convention in Winnipeg: Increased immigration and completion of the Hudson Bay railway were two of the needs of western Canada that the Conservative party would remedy.

Then there is the Right Hon. Arthur Meighen speaking at Regina on October 13:

Canada is too vigorous, too virile and too proud to see the Hudson Bay railway carried to within seventy or eighty miles of completion and leave it there a spectacle to the world.

I may just as well read the whole thing:

In view of these facts should not Mr. Meighen have jumped into West Middlesex and called off his dogs of war who were using the present government's willingness to put up money to build the line to the bay as a powerful reason why Mr. Elliott, the Minister of Labour, should have been defeated in the by-election?

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: I hope my friends are enjoying themselves. The next selfish request we from the west have made is for the revaluation of soldier settlers' land. Is that a selfish request? I want to tell hon. members who were not in this House during the last four sessions that it was the Progressive group who continually kept this subject before parliament, and every soldier settler knows who were his friends in the last parliament. I get a sufficient number of communications to tell me that. Our soldier settlers throughout the Dominion know very well who have stood behind them in getting a revaluation of their lands. Again I ask, is there anything selfish in our support of this legislation?

Then there is the subject of rural credits. I do not think the right hon. leader of the opposition will for one moment deny that he has been in favour of some more adequate method of financing agriculture. Agriculture is carried on from the Atlantic to the Pacific, it is the basic industry of the Dominion. Is there anything selfish in seeking some method whereby that great industry will be made prosperous?

We have already discussed old age pensions. Is the operation of this scheme confined only to western Canada? Is it selfish to ask for legislation in this respect to look after our aged poor throughout the whole Dominion?

Now then, Mr. Speaker, having enumerated these various subjects that are before the House, I should like to know whether the western members have been selfish and sectional in the requests they have been making.

Mr. CLARK: What has the hon. member advocated for the workingmen of Canada?

Mr. FORKE: Mr. Speaker, I am afraid the hon. member has missed my point, because the whole battle I am carrying on is for the workingmen of Canada. Does not he think that the big interests are quite able to voice their own wants? If the workingmen of Canada do not find members in this House to voice their wants, they are not likely to be heard. When the delegation of motor manufacturers interview the government this week will they not be vocal? What about the great masses of the people all over the Dominion who are buying low-priced cars, will they be in a position to present their wants, their ideas and their claims to the government? They will not be in the same advantageous position as our manufacturers. I am not finding fault with the manufacturers of Canada in looking after their interests, but I want my hon. friend to understand that I at least am speaking here on behalf of the masses of the Dominion.

Mr. SPENCE (Parkdale): You will put them out of employment and on the street.

Mr. FORKE: Some people take a very short view of economics. When 3,000 men found the doors of the motor car factory shut in their face, I know very well what their feelings were; naturally they were resentful that anything should be done to stop operations for a day; but, Mr. Speaker, that does not alter my ideas as to what is the true economic basis for the welfare of this Dominion. My sympathies are with the workingmen.

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: Well, they ought to be for I have been a workingman all my life and know something about work. Let me quote a few words by Sir John Willison in regard to the future of our manufacturing industries, and I do not think any of my hon. friends will question such an authority. Not very long ago he said that:

> Manufacturing industry in Canada would not be successful unless it was underpinned and supported by the energy, the ability and the enterprise of the Canadian people producing excellent goods at a reasonable price.

Could you get any better doctrine than that? If our manufacturers would keep that before their eyes and not think so much about protection, they would not be in the difficult position that they sometimes find themselves in. We talk about sectionalism and selfishness. Well, we are all human and all of us are bound to be a little selfish and a little sectional, no one can be in this House for four or five sessions without realizing that generally we are representing the problems of our own particular constituencies. That is quite natural. We cannot put forward the requirements of our own districts without to a certain extent being either sectional or selfish. At the same time let us take a broad view of the whole situation. I know the Progressives are being continually condemned by the press—and I want to speak quite moderately in this connection—by the eastern papers especially, as working only for our own interests. Well, the Progressives, like the members of every other party in the House, are looking after their sections of the Dominion, and it is quite possible to look after the best interests of your own locality and yet preserve a broad view and work for the interests of the whole Dominion. Last week Mr. Calder spoke in the Chateau Laurier on the subject of "A House Divided." I made a humble attempt the other day at Toronto to speak upon "Canadian Unity." I am prepared in this House and in the country, Mr. Speaker, to stand up for Canadian unity, for a united Canada from the Atlantic to the Pacific, and I submit that those who are continually holding up certain members of the House as being selfish and sectional in their views are not doing what will tend to unity of sentiment and action throughout this country; on the contrary they are trying to split the east from the west. If I can do anything in public life I hope it will be to draw those two great sections of the Dominion closer together.

[Mr. Forke.]

During this session we have heard a great deal about Maritime rights. I can assure the House that when we came here at the beginning of the session no member of the Progressive party from western Canada was indifferent to the grievances of our Maritime friends, and every one of us was and is anxious to do everything possible to help them. Entertaining these sentiments, I was all the more sorry to hear members from the Maritimes now and then finding fault with what they called the sectional and narrow point of view that the western members were taking. I hope the people of the Maritimes will solve their difficulties in a very short time and that in the years to come that important and historic portion of Canada will be very prosperous.

What has made the present budget possible? What has enabled the Minister of Finance to tell us that he is able to reduce our taxation by $25,000,000? Do not all members believe that the tremendous crop we had last year is the main reason for the prosperity which we are now enjoying? We are continually attempting to develop the country from the wrong end. Our friends living in the cities and close to manufacturing concerns naturally imagine that we can be made prosperous by enlarging our industrial plants.

An hon. MEMBER: So we can.

Mr. FORKE: How can we do it? I claim it can be done only by making the primary industries prosperous, and then every other industry will be able to carry on under equally prosperous conditions. We are often told that the high cost of production makes Canadian manufacturers unable to compete with outside manufacturers. If this be so, if they cannot compete with their rivals at home, how can they compete with them in the markets of the world? The great problems before Canada at the present time are to increase our domestic market, to increase the purchasing power of the people, and reduce the cost of living. When you have done those three things, you will have done a great deal towards making industry much more prosperous than it is at the present time.

I have a few extracts here which, with your permission, Mr. Speaker, I shall read:

> The three prairie provinces depend solely for transportation on railroads. No traffic moves in or out of this area by water. For this reason it has been comparatively simple to isolate the prairie section of the Dominion and to tabulate the incoming and outgoing shipments. With the co-operation of the railway companies this was done by the federal Bureau of Statistics, and their pamphlet gives as complete a return of prairie trade as could be given if it were a national unit, with frontiers to the east and west as well as to the south.

Below are the figures for 1923, the last for which statistics are available.

Net value of production	$645,493,271
Exports	270,000,000
Imports	145,000,000

An analysis of the figures shows that all three prairie provinces are still overwhelmingly agricultural. The following table shows the exports:—

Wheat	$208,000,000
Oats	10,000,000
Barley	5,000,000
Rye	2,800,000
Mixed grains	200,000
Flax	6,500,000
Flour (net value)	17,000,000
Mill products	5,500,000
Cattle	2,500,000
Forest products	1,750,000
Other live animals	500,000
Mine products	250,000
Dairy products	5,000,000
Poultry and eggs	2,000,000
Hides and leather	2,000,000
Manufacturers and miscellaneous	1,000,000
	$270,000,000

Our imports are:—

Apples, fruits and vegetables	$ 3,000,000
Coal and coke	6,800,000
Crude petroleum	1,400,000
Salt	500,000
Lumber, timber box shooks, etc	6,000,000
Ties	1,200,000
Logs, poles, posts and cordwood	800,000
Refined petroleum and products	5,400,000
Sugar	17,500,000
Iron—pig and bloom	400,000
Rails and fastenings	2,000,000
Bar and sheet iron, structural iron, etc	4,200,000
Castings, machinery and boilers	8,300,000
Agricultural implements and vehicles other than automobiles	28,500,000
Automobiles and auto trucks	15,000,000
Furniture	5,500,000
Liquors and beverages	700,000
Paper, printed matter and books	17,500,000
Canned meats	500,000
Canned goods	3,500,000
Miscellaneous manufactures	300,000
Other miscellaneous articles	5,000,000
	$132,000,000

These figures show that the prairie provinces imported last year, from eastern Canada, $132,000,000 worth of goods, and a business on the prairie provinces that amounts to $132,000,000 a year is very well worth cultivating, I think, and very well worth looking after.

Mr. CAHAN: On what basis does the hon. member estimate that business? By railway tonnage?

Mr. FORKE: I do not know just exactly what the basis is, but, of course, the figures are very easy to ascertain as all the imports and exports to and from the prairie provinces must go through a bottleneck.

We have had hard times in years gone by in Canada, but I am inclined to think that we have reached the top of the hill and that from now on the going will be easier. The west has produced a vast amount of wealth during the past year, amounting in the aggregate to a very large sum, over $900,000,000, as was stated very clearly by the hon. member for West Calgary (Mr. Bennett), in the House a few days ago. That is a vast amount of money, but still there are people out there who have difficulty in making ends meet, and it is not very nice for them to read about the growing prosperity of our country. But I believe, Mr. Speaker, that times are going to improve, and that we are going to have better conditions, with better prices. I want to assure hon. members and those who read my speech, both manufacturers, business men and others, that there is no antagonism in western Canada towards industry as such, that any action we are taking is not a matter of antagonism, but simply a matter of self-preservation. We have difficulties in Canada, we have troubles, but notwithstanding hard times, I believe there is more individual happiness in this Dominion at the present time than there is in any other country in the world. We are still in the year 1926 trying to adjust ourselves to new world conditions, but I believe that we are going to be successful, and that we are going to have better times.

There are two words, Mr. Speaker, which I have heard mentioned in this House. I would not mention them to-day except that I want to make my opinions and my ideas plain. Those words are secession and annexation. Those are two words I do not want to have anything to do with, and I mention them now only to make my opinions plain to this House. We sometimes hear that this country is being invaded by a process of what we might call peaceful penetration, and I believe there is some truth in that statement. Last year Canada paid $4,500,000 for American newspapers and American magazines. I am not going to say anything against American publications other than this, that we have a few high-class magazines in the United States coming into Canada which I should be very sorry to see stopped from coming into this country, but the point I want to make is this: What is the influence of this tremendous amount of American literature that is being read by our Canadian people at the present time? I do not believe they are aware themselves just how much they are being influenced by what they read, but this is a fact I am calling to your attention.

Mr. MEIGHEN: Would the hon. member be in favour of a duty against them?

Mr. FORKE: I would not like to place myself on record at the present time.

An hon. MEMBER: Playing politics.

Mr. FORKE: I would not play politics with this question; it is too serious a matter. It is not a matter of economics; it is a matter of—

Mr. CHABOT: Morality.

Mr. FORKE: That is the word I wanted. It is not a matter I would play politics with at all for one moment, and if I thought a duty on American magazines would be the right thing, I would tell the leader of the opposition so right away. But I do not know. There are two sides to the question, and it is a very difficult one to settle. I only mention this to show what is taking place.

There are some people who say that Canada would prosper much more quickly if we were part of the United States. I do not believe that for one moment. I read somewhere lately, I forget just where, that the state of Washington is no more prosperous than the province of British Columbia; it is not as prosperous or as progressive. Are the two Dakotas and Montana any more prosperous than the prairie provinces? They are not at the present time. The farmers and the rural population in those three states are not as prosperous as the people in our three prairie provinces, and when you come down to Ontario, this province is just as prosperous as the state of Wisconsin or some other states to the south. Would my good friends from the province of Quebec change places with any of the New England states? No, I am sure they would rather be Quebec.

An hon. MEMBER: Then why are our people leaving for the United States?

Mr. FORKE: We find that the great wealth of the United States is being centered in certain places to the south, and that the northern tier of states is being left very much out in the cold. We are a still more northerly tier, and I am inclined to believe that were we joined with the United States. we would be worse off still. I say to my fellow Canadians: Stay with Canada. Canada is our country. I have mentioned in this House before that I am not a native-born Canadian, but Canada is my home, and every interest I have is in Canada, and I expect great things of this country. Mr. Speaker, Canada has a destiny of its own to fulfil. It can fill a place in the world's history. It can give something to increase the happiness and welfare of humanity if we will only follow the course we ought to pursue. I want to see Canadian national unity. I do not know just how to bring it about. On the one hand, we have the east wanting high protection, and on the other, the west wanting low tariff. We must find some common ground of agreement, some stopping place. However, in the meantime I hope all of us will pursue our daily vocations with industry and intelligence, trying to work out our own destiny and that of our nation.

I want to see Canada still retain her place within the British Empire. This is not the place to begin a discussion of Canada's status and her place among the nations of the world, but I want to see Canada a free nation, taking her place among the galaxy of nations. I know a whole lot of difficulties surround this question. You cannot exactly state in words the position we occupy to-day, but I should like to see our country in the years to come still a part of the great British Empire. I believe that our safety in the future, and for a great many years to come, will lie in the fact that we belong to the British Empire. Therefore I hope that we will not forget this idea.

In closing I want to quote a few words that I came across the other day. I do not know who the author is but this is his description of our Dominion:

> Canada a daughter of the empire, grown to be a potent factor; but equally strong in loyalty to the British commonwealth, clear visioned—sound in wind and limb, a great race in a great country, coveting nothing, shaping and working out for itself with high courage, energy and ability a great destiny.

As my last word I want to say that at this time, no matter in what quarter of the House we may sit, we will be Canadians, loyal to our country and believing in its future. Canada wants men with broad vision and with faith in themselves and in their country. Given these conditions, notwithstanding our political struggles and differences, I have no fear for the future of this great Dominion.

Mr. QUINN: The hon. member spoke of the sympathy of his party towards the Maritime provinces, but he touched the question of our difficulties very gingerly and lightly. May I ask him to make a declaration to this House that he is in favour of, and would advocate the shipment of western grain through the Atlantic ports of Canada in preference to the ports of the United States.

Mr. FORKE: I should like to see all Canadian grain go through Canadian ports.

Some hon. MEMBERS: Hear, hear.

Mr. FORKE: Let me finish. You cannot touch a question of that kind and interfere with economics—

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: Very well, I cannot help it if some hon. members choose to deride this statement. Personally I would be willing to lose a cent or so, or something, on my grain in order to see it go through Canadian ports; but the people who are making one-half or one-quarter of a cent profit on a bushel of grain will continue to send that grain by the cheapest and easiest of routes to the markets of the world no matter what our sentiments of patriotism or our feeling towards Canada may be.

Mr. HOCKEN: I sympathize very much with the hon. member's sentiments but would he say that a native-born Canadian who could not get work in Winnipeg should go to Chicago and get a good job?

Mr. MILLAR: Be a Progressive.

Hon. R. J. MANION (Fort William): Mr. Speaker, I am sure that the hon. member for Brandon (Mr. Forke) will forgive me if I do not go into the highways and the byways of his speech. And he will probably accept my statement as correct when I say that in endeavouring to answer all the government's arguments in favour of this budget I shall be at the same time endeavouring to answer his.

Mr. MEIGHEN: Hear, hear.

Mr. MANION: Because I have noticed that my hon. friend always takes a high and holy attitude of independence, and professes not to be looking at any of these questions from a partisan point of view. But I have also noticed that when the government are in a tight place they can count absolutely on the member for Brandon.

He did what has become quite a habit, and I suppose has been a habit with politicians for a long time, he put into my mouth words which I have never used. I took down the hon. gentleman's statement at the time it was made. He said that I had stated in this House that "the higher the tariff the lower the price." Well, of course, it is hardly necessary for me to say that I never made any such statement. What I did state here the other day, in a little dispute across the floor, was that the raising of the tariff does not necessarily mean an increase in the price. That is an altogether different matter. I pointed out that if you raise the tariff and give your home market to your own producers, those producers, because they produce on a larger scale, are prepared very frequently to lower prices and very often do, and before I get through my remarks I shall give a number of instances of that.

Then my hon. friend spoke of what he called contradictions in the tariff speeches of my right hon. leader. I might suggest to him that if he wants to look up contradictions—using the pawky Scotch humour of the hon. gentleman himself—let him read some of the speeches of the Prime Minister.

Mr. FORKE: I did not try to read any contradictions into the speeches of the right hon. leader of the opposition. I only wanted to place him where he belongs.

Mr. MANION: Well, I think my hon. friend in trying to place the right hon. leader of the opposition where he belongs ended up by placing himself where he belongs.

He went on to ask for a definition of what our tariff policy was. I will give him one definition of what the tariff policy of the Liberal Conservative party is and it is this: It is a tariff policy to build up Canada and not to build up the United States, or any other foreign country.

The hon. gentleman spent some time ridiculing the idea that any of these automobile industries will suffer because of the tariff which has been brought in, and he pointed out that they practically would not be injured at all. Well, I am going to read a statement made by the president of the United States General Motors, Mr. Sloan. He made a statement on the subject in New York the other day and this is what he said:

> There has not been sufficient time to analyse the effect of the Canadian tariff changes, but it is very evident that it means the transfer of Canadian plants to American factories, or, in other words, the elimination of a corresponding amount of Canadian labour. Due to the fact that production in Canada will be reduced it is only fair to assume that there will be correspondingly increased profits for American manufacturers.

That is the attitude of a New Yorker, the president of the United States General Motors, a man who is not interested in Canadian work, except in taking Canadian work from Canadian people.

And may I add this: That at the present time, and I do not think the statement can be contradicted, the tariff on automobiles coming into Canada is lower than the tariff on automobiles going into any country in the world that manufactures automobiles, and I do not except even England in this statement. The tariff of free trade England is 33⅓ per cent, while ours is from 20 to 27½ per cent.

Mr. ROBB: What is the tariff on automobiles going to the United States?

Mr. MANION: I do not know—

Some hon. MEMBERS: Oh, oh.

Mr. MANION: I did not say that I knew the tariffs of all the countries of the world on automobiles. What I said was that the tariffs of other countries on automobiles are higher than the tariff on automobiles coming into Canada. I venture to make that statement and if the Minister of Finance can give any definite information to the contrary I invite him to do so now.

Mr. ROBB: The United States tariff is 25 per cent.

Mr. MANION: An hon. member who sits behind me and who is interested in automobiles says it is 50 per cent.

Some hon. MEMBERS: No, no.

Mr. MANION: I give the statement of an hon. member sitting behind me who deals in automobiles.

An hon. MEMBER: That is what it is.

Mr. MANION: I hope that I shall always be a loyal enough Canadian to rejoice with the Canadian people when conditions in this country have improved for them. I wish to congratulate the Minister of Finance in being able to bring in a budget which shows an increase in revenue of something like $29,000,000. The Finance Minister also shows a better condition of the railways, as well as—and this I do not dispute—some taxation reductions with which I shall deal briefly as I pass on. In other words the Finance Minister points out that conditions are better in Canada to-day than they have been during the past four years. I do not dispute his conclusions in that respect, but also as a Canadian I make this statement, that after looking into the whole question as completely as I can, and laying aside also as completely as I can whatever partisanship I may feel, I am sure this better condition in Canada to-day is, as was pointed out by the hon. member for Brandon, as a matter of fact due to the good fortune of the Canadian people and not to the good management of this government. The reason I say that is because the tariff policy, the unwise tariff policy of this government, has in the past four years unsettled the business affairs of Canada, injured the industries of the country, lessened the work and wages of the people, and increased the exodus of Canadians to the United States.

And by the extravagances of which they have been guilty they have increased the taxes, or failed to permit the decrease of taxes, which should have taken place. With reference to the estimates which we have before us this year of the expenditures of the government, the hon. member for Brandon (Mr. Forke), who is certainly not a friend of hon. members on this side of the House, pointed out that these estimates are a good deal higher than the estimates of last year. I was going to point out that last year's estimates were $351,000,000. This year's ordinary estimates are $345,000,000, or $6,000,000 less than last year, but the supplementary estimates have yet to be presented, and the Minister of Finance (Mr. Robb) in his budget speech admitted that the supplementary estimates would increase the general estimates to such an extent as to make the year's estimates equal to the $351,000,000 in the estimates last year. But as was pointed out by the hon. member for Brandon, the old age pensions were not taken into account, the advances to the settlers act expenditure was not taken into account, nor was the expenditure for the Soldier Settlement Board. The Old Age Pension Act alone, if carried out by the people of this country in co-operation with the provinces, means another expenditure of $11,000,000 or $12,000,000 per annum, the land settlement act means another $1,000,000 and the relinquishment of the debts owing to the government under the Soldier Settlement Act many millions more. So that I submit, in agreement with the hon. member for Brandon, that this year's estimates are going to be very much higher than those of last year. In other words, this government goes on gaily spending the people's money, ignoring the fact that the burden of taxation presses very severely upon the shoulders of the people, and ignoring the opportunity to reduce that taxation.

Now, I submit, Mr. Speaker, that just as the best judge of a dinner is not the cook but the diner, so the best judge of this budget is not the Finance Minister who presented it, but the people of Canada, and after the budget is analyzed by this House and passes to the people of Canada, they will owe a great deal more of Christian forgiveness to the government than they will owe of gratitude.

Why did I make the statement that the improved conditions in Canada were due more to good fortune than to any good management on the part of the government? Because in the first place, so far as I can remember—I say it in all seriousness, and I am open to correction by speakers following me if I am wrong—I know of no act of this government in the four years it has been in power which improved or tended to improve conditions in Canada. I submit that a kind Providence has seen that the Canadian people have not

suffered all the ill effects of the unwise tariff policy and unwarranted extravagance of the late government, and I intend to give figures very briefly showing where Providence has been kind to Canada. That the improvement is due to Providence is shown by the fact that in 1925 our agricultural production was $265,000,000 greater than in 1924. In mineral production the amount was $15,000,000 greater—I obtained these figures from the Department of Statistics—and in unmanufactured wood—these are exports; I could not get the production—a favourable balance of $5,000,000. There was an increased production in 1925 over that of 1924, to the extent of $285,000,000. That has been in no way the result of the efforts of the government; it has been the bounty of Providence. In other words, the government is not in any way responsible for that bounty to the people of Canada. The increase of $285,000,000—nearly $300,000,000—means that the people had a very much greater purchasing power than they had the year before; that the railways handled a very much greater traffic; and a consequent increase in government revenue. I admit that luck has been with this government; that Providence, by giving Canada these greater crops, has shown some favour to the present administration. But there is a Providence, they say, which looks after drunken men, and I presume the same Providence looks after governments who are drunken with the desire to hold power in spite of the wishes of the people.

Now I wish to deal very briefly with some of the alleged decreases in taxation dealt with by the Minister of Finance in his budget—though I shall leave the more thorough investigation of this matter to my good friend from West York (Sir Henry Drayton) whom we are glad to see back in the House—in relation to postage rates, receipt tax, income tax and, in a few minor respects, the sales tax. In regard to the sales tax, it was under our regime three per cent, but this government raised it to six per cent. Two years ago they lowered it to five per cent, where it still stands. The sales tax is a distinct tax upon all the people of Canada. It would be very much better to remove that tax than to remove the tariff on automobiles. I may say further that if we are to judge of the probable reduction in the prices of automobiles as is indicated by the figures published by the Ford people, the removal of the five per cent sales tax would have a greater effect in cutting the price of automobiles than the action taken by the Minister of Finance. It would not endanger the employment of thousands of workmen in Canada and raise the possibility of tens of thousands more of the Canadian people being forced to go to the most highly protected country in the world, the United States, to earn a living.

The receipt tax was not a tax of the old government, but was put on by this government. I am glad it is off. But a much more important tax, which should also be off, and which was increased by this government, is the cheque tax. It was two cents when the former government went out of power, and it was increased on cheques for larger amounts by this government. That is a more unjust tax than the receipt tax, because the man who puts the stamp on the cheque is the man who is paying the money, and the man who puts the stamp on the receipt is the man who is receiving the money. I submit both these taxes should be off, and if the government had done away with unnecessary extravagances it could have taken both off.

In regard to the income tax, I believe that while the reductions in some cases will be of assistance to the people of Canada, in other cases they will prove of no benefit; in fact in many cases they are no reduction at all but an increase. Take the case of a widow whose husband created an income of $5,000 in dividends, which she inherits. She would not have paid any tax in the past, but will have to pay under the new scheme. A retired gentleman of 72 or 73 years of age, with whom I sat at a meal the other day, receives, with his pension from the business he followed, an income of $2,800. His wife had the good fortune to inherit $2,000 per annum, so that this old couple, who were accustomed to living reasonably well on $4,800, were paying last year an income tax of four per cent on $800, each of them having an exemption of $2,000. He paid an income tax of 4 per cent on $800 which would be $32. But this old couple, in the autumn of their lives, are now going to pay more. They are allowed $1,500 exemption, so that he will pay two per cent on $1,300 or $26 as against $32 the year before, while in addition to that his wife will now be paying two per cent on $500 or $10, a total of $36. What is the object of this? In studying the new income tax schedules I was interested to note the variations in amounts payable. While this old couple have to pay increased taxation, those who for example make $14,000 a year have had a reduction of some $474.50 in their income tax. I do not wish to be unfair or unkind, but one might ask oneself whether those material reductions that have been made on the $14,000 salary have anything to do with the fact that members of the government receive $14,000 a year.

Is it fair that this old couple of seventy-two or seventy-three should have their taxes increased while those getting $14,000 a year get this marked decrease? I was thinking of a jocular statement made by Mr. Lloyd George at one time when he was speaking of another government and I felt I could in the same jocular way apply the statement to this government. His statement was:

> The members of this government will go down with their drawn salaries in their hands.

The postage rate has been reduced from three cents to two cents and everybody will be glad of that reduction. But this reduction could have been made long ago if the government had not given those unnecessary political bribes which were used throughout the country; for instance, millions of dollars spent for harbours which was not required to be spent, millions of dollars spent for public works, inaccessible elevators and other things such as the Union Club in London.

But after going all down these different reductions as mentioned by the Minister of Finance, I find myself wondering where the ordinary workingman who does not earn $3,000 a year, and the ordinary small farmer who does not happen to have an automobile, benefits by any of these reductions. I can find nothing with the exception that once in a while when he sends a letter to somebody away from home he saves one cent on his postage stamp. Where is the relief for the workingman who earns less than $3,000 a year unless it be that he is relieved of his job in some of those factories that are being closed on account of this budget? A very large percentage, I think much more than ninety per cent of the workingmen of Canada, will not benefit by these reductions. In other words, I found myself wondering if this budget was one entirely for the betterment of the rich and the well-to-do, because I discovered that the rich man by this budget gets his income tax reduced, his high-priced automobile at a lesser duty, and even his Angostura bitters cheaper for his cocktail. I presume the government is hoping that at election time he will drink his cocktails to their health.

There is little if anything, in this budget for the poor people. I think it was Abraham Lincoln who said: "God must love the poor because he made so many of them." If he was alive now, he could not say that about this government because they are making the poor poorer by taking away their jobs, and making the rich richer by taking away their income tax.

[Mr. Manion.]

I do not wish to spend any more time on these taxes; I wish to touch what is to me and, I think, to the people of Canada, the most important item in the whole budget and that is the cut in the duty on automobiles. That is the axle around which this whole budget is going to revolve, when the people have forgotten the superficial reductions in taxation mentioned by the Minister of Finance, when, in fact, the resulting relief mentioned by him is found to be a delusion and a snare, and when they realize also that this is another very severe assault upon the national policy of protection which has been in force in Canada since 1878. Once again the issue is clear-cut and well defined; the issue has come before the people as to whether we shall have protection in this country or whether we shall go down towards free trade.

Before dealing with the reduction in the tariff on automobiles I wish to say that I have no brief in any way for the automobile industry. In my riding there are no plants manufacturing automobiles or automobile parts. As a doctor practising medicine when I am at home, I have occasionally to buy an automobile and therefore I would probably stand to gain a little if prices are reduced because of this reduction in the tariff. But at the same time, as a Canadian, I am willing, if necessary, to pay a little more for my automobile or for any other line of goods in order to build up this great country of ours. Neither am I arguing from the point of view that the majority who cannot afford to buy automobiles of any kind will gain nothing by this reduction in the tariff on automobiles. An automobile being a luxury in many cases should, I think, be taxed more highly—I do not say in all cases. It is only right that luxuries should be taxed at a higher rate than necessaries of life and certain high-priced automobiles are luxuries. Neither do I point out the fact that in many cases people bring about less happiness to themselves by securing automobiles at the cost of a mortgage on their home or on their life insurance, at the cost of that thrift which we should all encourage as good citizens of Canada. Neither do I deny nor assert that this tariff cut is not bearable by the automobile industry of this country. Time alone will answer that question.

But I assert this, that in justice to the people, and to the automobile industry of Canada, the tariff board which was appointed just eight days before the delivery of the budget, should have been given an opportunity to look into this industry before these cuts in the tariff were made. If such had

been the case and if the tariff board had reported that these automobile manufacturers were exploiting, were taking unfair profits from the people of Canada behind a tariff wall, then I say they should either bring down their prices or have their tariff removed to a certain extent to make them deal justly with the Canadian people. It is no part of the policy of the Conservative party to allow unfair prices to the people to be put into effect behind a tariff wall by manufacturers of automobiles or any other manufacturers. But there should have been an investigation, because we have had in Canada, I repeat, a policy of protection since 1878, and so far as I know on every occasion when the people have been given an opportunity to vote on that question, they have voted to carry on a policy of protection.

There are three outstanding dates: 1878, 1911 and 1925. I mention 1925 because it is plain that on October 29, 1925, the 116 members on our side of the House were elected on a protective policy, and it is also plain that on the other side there are many members, probably forty, if not fifty or sixty, who are out-and-out protectionists, just as much as the protectionists who sit on this side of the House. For example, would anybody question the fact that the hon. member for North Waterloo (Mr. Euler) is an out-and-out protectionist, or that the hon. member for North Bruce (Mr. Malcolm), who is spoken of as being slated for the cabinet, is an out-and-out protectionist? Would anyone say that many hon. members from Quebec are anything but protectionists? The hon. member for Joliette (Mr. Denis) in this House not long ago in the debate on the Address said frankly and plainly that he believed in protection. Indeed, I am reminded by an hon. member that he said he was elected on that policy.

In other words, the election of October 29, no matter what else it did, certainly showed that the people of Canada, with the exception probably of those in the prairie provinces, believe in a policy of protection. It showed that this government is not in agreement with the people of Canada generally, and you may take it for granted as a political axiom that when a government differs from the people of a country, the people are right and the government is wrong.

Mr. MacLEAN (Prince): What about the 1921 election?

Mr. MANION: The people defeated us and we went out of power, but in 1925 they defeated this government and the government did not go out of power. That is the difference.

On what basis did this government make this reduction in the tariff on automobiles eight days after it had appointed a tariff board supposedly for the purpose of looking into industries such as this? They cast aside that tariff board like a sucked orange eight days after they appointed it and they cut down the tariff on automobiles. I will give the reasons of the Minister of Finance for cutting down the tariff on automobiles. The Minister of Finance (Mr. Robb), at page 2450 of Hansard, made this statement:

> There is a pronounced sentiment throughout Canada that the automobile industry enjoys more protection than is needed to maintain it on a reasonably profitable basis, and in deference to that sentiment we propose a downward readjustment of automobile, motor truck and motor cycle duties.

"In deference to sentiment throughout Canada!" I wonder why it is that this government has become so suddenly deferential to the sentiment of the Canadian people. Hon. gentlemen opposite did not show any great desire to defer to the clearly indicated wish of the people of this country when on October 29 last, as a result of the general election held at that time, the Canadian electorate showed beyond any question that they no longer wanted this government in power. The government was defeated, whatever else the election may have revealed. But it is not that the Minister of Finance and the government, in making this reduction in the tariff, felt that there was a pronounced sentiment in the country in favour of it. The fact of the matter is that they believe there is a pronounced number of votes to be gained by this concession when the time comes. That explains why the tariff on automobiles has been reduced to the extent disclosed in the budget. The government does not care what irreparable injury is done to Canadian industry so long as it can remain in office. So far as our working population is concerned, every artisan may be driven out of Canada into the United States, provided the government can remain in power. Scientific knowledge and economic investigation, which should have been the duty of the tariff commission, are of course unnecessary to this government. What is necessary is the government's popularity: it is essential that hon. gentlemen opposite should obtain a sufficient number of votes to keep them in power. In short, our workingmen must be exiled in order to maintain the present administration in office.

We hear less about an exodus now than we heard in the past, and we read less of it in the

press at the present time. The exodus, everyone admits, is not so marked to-day as it was formerly. I have in my hand, however, an extract from the Toronto Globe of a few days ago in which the statement appears that 53,000 Canadians left this country and went to the United States in the seven months ending January 31 last, or at the rate of nearly 100,000 per annum. In making this statement the Toronto Globe is quoting from the report of an investigating organization in the United States, and the statement is not denied. Now, if this budget does the harm which many people throughout Canada believe it will do, there will be more people going to the United States shortly than have left Canada in the past.

I can quite imagine that many of our workingmen in Canada must find themselves asking this question, "Why should we be made the sacrificial goats in order to keep this government in office?" In my opinion, Mr. Speaker, the present Prime Minister of Canada through his tariff policy has been the greatest immigration agent the United States has ever had. What right has this government to make an unwarranted onslaught on the tariff policy which has been in force in this country since 1878, having been accepted and endorsed repeatedly from that time on? What right have hon. gentlemen to break the pledges which they have only recently given to this country. that no industry should be interfered with in the absence of a proper investigation? What right have they to disturb business conditions in Canada and to bring about such instability as we have witnessed during the past four years?—an instability by reason of which no industrial leader in Canada to-day dare invest his money in industry lest his own head be taken off and carried on a salver to the low tariff or free trade forces of the country who control the government.

So far as tariff matters are concerned, this government seems to live in a thick fog of confused ideas; it changes its economic mind so often that it is impossible for any sane man to follow it. The tariff history of the government would appear to me to be something for the government to forget and for everybody else in Canada to remember. But what other attitude could you expect from the government when you look around on its members and realize that there are three ministers from Saskatchewan, that free trade province, for which let me say, I have every respect. There are from that province three ministers in prominent positions—the Minister of Agriculture (Mr. Motherwell), the Prime Minister himself (Mr. Mackenzie King), and the Minister of Railways (Mr. Dunning). And from the west we have also the Minister of the Interior (Mr. Stewart, Edmonton), the author of that famous phrase about the deathknell of protection. When the Minister of Railways came into the House the newspapers declared that, like charity, he was expected to cover a multitude of sins for the government. Well, the Minister of Railways has taken a very frank stand on the tariff. There was passed in the legislative assembly of Saskatchewan, in the session of 1923, a resolution which practically proposes free trade for the Dominion of Canada. Perhaps I may be allowed to quote that part of the resolution bearing on this question. It proposed:

(1) An immediate and substantial all round reduction of the customs tariff.

(2) The reduction of the customs duty on goods imported from Great Britain to one-half of the rates charged under the general tariff, and that further gradual uniform reductions be made to the remaining tariff on British imports that will insure complete free trade between Great Britain and Canada.

(3) That negotiations be entered into by the government of Canada with the government of the United States with a view of establishing a reciprocity agreement on lines similar to that of 1911.

(4) The placing upon the free list of all food stuffs, agricultural implements, farm and household machinery, vehicles, fertilizers, coal, lumber, cement, gasoline, illuminating fuel and lubricating oils, and all raw materials and machinery used in their manufacture.

The report concludes with the statement that, a debate arising the question was put and was agreed to unanimously.

Mr. DUNNING: Unanimously.

Mr. MANION: I am glad that the Minister of Railways admits that the resolution was adopted.

Mr. DUNNING: Even the Tories voted for it.

Mr. MANION: As far as I have been able to find out, due to my good friend's patented political machine oil, there are no Tories in Saskatchewan. However, I am not questioning the right of the Minister of Railways to take that attitude in relation to the tariff; that is his privilege. But that is one of the reasons why this government has been gradually pushing ahead towards the goal of free trade. I have another quotation to offer to show the views of the Minister of Railways on the subject. I shall read from:

The evidence of Hon. Charles Avery Dunning called, sworn and examined at 2.30 o'clock p.m. on Monday, August 6, 1923, at Regina, Saskatchewan, before the Royal Grain Inquiry Commission.

The following question and the answer thereto will be of interest to the House. It deals with coal.

Q. There is a rate of 6½ dollars a ton gone into effect to move a stated quantity, not a large quantity, merely as an experiment?

A. I think that is a case where the Ontario people should take a dose of their own medicine. . . . . The way to make Ontario people burn Alberta coal is to put a good steep prohibitive duty on American coal and then to let the Canadian National Railways charge the fair freight rate for hauling it to them. It is the first time in history that the eastern people have been in the position to take a dose of their own medicine, and I think they should be allowed to take it to the full.

I make the statement subject to correction, but if I mistake not what I have just quoted is exactly the same statement, condensed, as was quoted by the hon. member for South Wellington (Mr. Guthrie) the other day, and denied by the Minister of Railways.

Mr. DUNNING: The two statements are entirely different, and my hon. friend might at least do me the justice of reading the whole of my evidence from which he is quoting. The whole press of the country knew perfectly well that I was speaking in large part ironically with reference to that matter—

An hon. MEMBER: Under oath.

Mr. DUNNING: —as the further evidence very well reveals. However that may be, my hon. friends can take all the satisfaction out of it they wish. All I ask is that they quote me correctly, for my statement was not quoted correctly the other day.

Mr. MANION: I will read the quotation as given by the hon. member for South Wellington, and the House will judge for itself. Let me assure the Minister of Railways that I am not trying to do him the slightest injustice. But I must say—and I say it in all sincerity—that having read the statement as quoted by the hon. member for South Wellington, in conjunction with the evidence from which I have just quoted, the two seemed to me substantially identical. This is the statement as quoted by the hon. member for South Wellington, in which the Minister of Railways is represented as saying:

This is the first opportunity to make the people of the east suffer for what they have given the west for the last forty years.

Mr. DUNNING: And that statement is what I object to. I nowhere used the phrase "make the people suffer," nor can any words of mine be so interpreted. Let the hon. member read the evidence again. "Letting them take a dose of their own medicine" is different from "making them suffer."

Mr. MANION: I will do the Minister justice to this extent, I cannot find the word "suffer" in the sworn evidence, but I am going to read it again to see if the language he used can be interpreted differently. After mentioning about the prohibitive duties, he said:

It is the first time in history that the eastern people have been in a position to take a dose of their own medicine. I think they should be allowed to take it to the full.

Mr. DUNNING: If my hon. friend only reads the conclusion he will find it proves that I was speaking ironically.

Mr. MANION: My hon. friend is so particular about getting this absolutely correct that he brings to my mind an incident in the West Middlesex by-election of famous memory. To show how careful the Minister of Railways is to tell the facts, he went down to West Middlesex and made a speech, and I have provided myself with a copy of the Globe for fear he would deny what he then said. According to the Globe report he stated:

I told Dr. Manion, when I met him the other day, "You are licked now."

And then the report goes on to tell what he said to Dr. Manion. The extraordinary thing about this incident is that the Minister of Railways and Dr. Manion had at that time never spoken to each other in their lives. I must confess that I admired the hon. gentleman's courage in relating to the people of West Middlesex how he had "told me off."

An hon. MEMBER: Ironically.

Mr. MANION: Yes, I presume he was doing it then as he says now, ironically.

Mr. McLEAN (Melfort): If I may interrupt my hon. friend, would it not be a good thing for the people of Ontario to get high tariff protection on their coal?

Mr. MANION: I am not dealing with coal at the moment, I am dealing with the Minister of Railways. However, I may say this about coal, I am in favour of any policy that will make us use Canadian instead of American coal on Canadian railways.

Mr. DUNNING: Why find fault with me?

Mr. MANION: I was not. I was just showing, Mr. Speaker, the very fine feeling of my good friend the Minister of Railways towards the east, and how coming into the government at the present time to the aid of the Prime Minister he is helping to bring about that national unity which the Prime Minister has been speaking about so much lately.

Unfortunately, Sir, this government in the breaking of its pledges is a good deal like an opium eater: their appetite grows on what they consume. The government used to have a habit, in common decency towards the people, of taking at least a few months, if not a year, before they broke their pledges to the country. For example, Mr. Fielding made a pledge to the people in 1923 in the course of his budget speech, and I think it is of sufficient importance to put on Hansard once again because we all respect Mr. Fielding's name. At that time he said:

> There is a thought which does not receive as much consideration as I think sometimes it should be given in public discussions, and that is the desirability of something like tariff stability. Business men do not like to be always threatened with changes in the tariff.

Then a little lower down:

> Speaking broadly, it is possible to give the country a reasonable assurance of stability of tariff. Such assurances are very desirable, for no business man would care to enter upon enterprises which may be brought into peril by frequent tariff changes. The tariff as it will be when the changes proposed to-day come into effect will be a moderate tariff and probably as low as the country can afford to have under present conditions.

That was the opinion of this government in 1923 as voiced by the then Minister of Finance, the Right Hon. W. S. Fielding. A year later, the present Minister of Finance (Mr. Robb), who was then the acting minister, brought in a budget by which he cut down the tariff, but at any rate he had the decency to take a year before breaking the pledge given by Mr. Fielding to the business interests and the people of Canada. Unfortunately to-day this government breaks its pledges with all the facility of one who finds that practice makes perfect. Let me show what I mean by that. In the Speech from the Throne, of which I hold in my hand an authenticated copy as it appeared in the Canada Gazette, these words were put into the mouth of His Excellency at the beginning of this session, only three months ago:

> My ministers are of the opinion that a general increase in the customs tariff would prove detrimental to the country's continued prosperity and prejudicial to national unity.

A little further on I find the following:

> They believe that in the interest of industrial development every effort should be made to eliminate the element of uncertainty with respect to tariff changes; that changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the ministry with respect thereto. A Tariff Advisory Board will accordingly be appointed forthwith.

[Mr. Manion.]

That tariff board, Mr. Speaker, was appointed by this government eight days before the budget was brought down. The budget was delivered on the 15th of this month, and the order in council appointing the tariff board was laid on the table on the 7th. So that this government have not only flouted the tariff board, they have broken their promise to the industrialists, and they have betrayed Canada as a whole, not because they considered that an investigation should not be made to the extent promised in the Speech from the Throne, but because the Minister of Finance said that in his opinion there is a pronounced sentiment in Canada favourable to cutting down the tariff on automobiles. In other words, the government are not governed by economic laws, they are not governed by a consideration of the country's interests, they are not governed by their political pledges; the only principle upon which they act is the principle of power at any price, even the price of Canada itself. Accordingly, the government work on the principle that political pledges are made to be broken, and business in Canada exists merely to be smashed.

Why should not Canada take an attitude favourable to protection within its boundaries? Every other country in the world to-day has raised its tariff since the war. Even free trade England has done so—and I will deal with that a little later—on a number of manufacturing lines. In fact every other country is barring out our goods, but we are allowing their goods to come in here to ruin our producers, to throw our workingmen into idleness, to force our artisans and our boys and girls to go to the most highly protected country in the world to earn a living because they cannot maintain themselves at home owing to the narrow policy of a selfish government. Since 1921 the people of Canada have been experiencing the evil effects of the unwise tariff policy of this government, they have seen idle factories and idle workmen; they have heard idle tales of a prosperity that did not exist. Instead of prosperity they have seen the appalling exodus of our unemployed to the United States. Why? Because our working people could not earn a decent living in Canada. Not one of them went because of the high cost of living in Canada, not one of them went across the line except to earn a living which the unwise fiscal policy of this government denied him in his native land. By the way, Mr. Speaker, did you hear that any of them went to free trade or low tariff England to earn a living? No. But we did open our doors to the products of the

low priced labour of Europe, the entry of which was further facilitated by depreciated exchange, cheap labour, and low standards of living. As a consequence we find that practically all our industries have been in a difficult position during the last four years. Woollens and cottons, steel and iron, boots and shoes, starch and syrups, glass manufactures—and the automobile industry will now get the same dose—all these industries have been hit by cuts in the tariff made by this government. In 1921, for example, we imported woollens into this country to the value of $29,000,000; last year, in 1925, we imported $40,000,000 worth, an increase of over 35 per cent. The other day I was in the town of Weston, just outside Toronto, in company with my good friend the ex-Minister of Finance, the hon. member for West York (Sir Henry Drayton), and we were waited on there by a number of workmen who were engaged weaving carpets, and who had sent a petition to this government. They pointed out that because of the importations of cheap oriental and French carpets, and because of the fact that our tariff on these carpets was only from one-half to one-third the United States tariff on the same line of goods, our carpet weavers were working only sixty per cent of capacity, and I have here a letter from a gentleman in the province of Quebec from which I shall quote a few lines because I think they are worth putting on Hansard. This gentleman mentions that he happened to have heard me make a speech a year ago in Montreal on the tariff, and says:

> You mentioned last night that labour in China and Japan gets 7 cents a day. You will be sorry to hear the Japs imitated the habitant catalong made of rags.

My French-Canadian friends know that the catalong is a rag carpet made by the wives of the farmers in Quebec. He goes on:

> You can hardly tell the difference, and our nice Canadian habitant women will be left with their carpets. It would be an easy matter to apply the dumping clause, and protect our own people who do this work at home during their spare moments.

He points out that a friend of his who had driven to Montreal, and gone to Goodwin's with some catalong for sale, was told that they had an order coming in from Japan for $3,000 worth of these goods.

Mr. POULIOT: Does the letter come from Mr. Patenaude?

Mr. MANION: No, but I do say this, that a lot better things come from Mr. Patenaude than from my hon. friend, judging by some of the speeches he has delivered in this House.

Mr. POULIOT: I have heard his speeches, and my opponent was one of his supporters, and he was beaten.

Mr. MANION: I have listened to the speeches of my hon. friend from Temiscouata (Mr. Pouliot), and if he ever deals constructively with anything, it is news to me. His speeches have been very little but abuse of this party.

There is another branch of industry which is hit in this country and which should be protected, and that is the industry of agriculture itself. We have in the province of Ontario and in the province of Quebec two million farmers who sell from 85 to 95 per cent of their production to the industrial centres in Ontario and Quebec, and yet our duties on these agricultural goods coming into this country from the United States are only from one-third to one-half as much as the United States duties on our agricultural productions going over there. Let me give a few instances:

Article	United States Duty	Canadian Duty
Hay	$4.00 per ton	$2.00 per ton
Eggs	.08 per doz.	.03 per doz.
Cheese	.05 per lb.	.03 per lb.
Oats	.15 per bu.	.10 per bu.
Potatoes	.50 per cwt.	.35 per cwt.
Butter	.12 per lb.	.04 per lb.
Wheat flour	2.04 per cwt.	.50 per cwt.

Mr. STEWART (Edmonton): Go on with the list and quote beets, carrots, and other vegetables.

Mr. MANION: I am quoting sufficient for my purpose.

Mr. STEWART (Edmonton): Oh!

Mr. MANION: My purpose is to show that the farmers of Ontario and Quebec are up against unfair competition from the United States. Of course, that does not worry the Minister of the Interior; he does not come from Ontario.

Mr. STEWART (Edmonton): I was simply asking my hon. friend to quote the whole list.

Mr. MANION: I have not it at hand, but I wish to point this out: Just the other day the tariff on our butter going into the United States was raised to three times our tariff on United States butter coming into Canada; before that the tariff was just double. Let me put this to any of our good farming friends in this House, and they are not all to my left or sitting opposite; there are quite a lot of them behind me in this party. Suppose they drive in to town with a load of butter or potatoes or some other farm pro-

duction and go into a store in Toronto, say, or Montreal, and tell the storekeeper that they have a load of potatoes for sale. Suppose the storekeeper says, "I will not have anything to do with your potatoes. Get out of my shop. I will not handle your goods at any price,"—and that is what the Americans are saying to the Canadian agriculturist at the present time—what would the Canadian farmer reply to the storekeeper? Would he say, "You won't buy my goods, but I would like to buy some of yours?" No, he has too much red blood in him to say that. He would say to the storekeeper, "You do not need to buy my goods, and I do not need to buy yours. I will treat you as you treat me." And that should be our attitude towards the United States. Why should we have a tariff of only four cents a pound on United States butter coming into Canada, when they have a tariff of twelve cents a pound against our butter? As a consequence of the fact that our tariffs on agricultural products are so low as compared with the United States tariffs on the same goods, we imported last year $150,000,000 worth of agricultural products which could have been produced on the farms of Canada. Do not misunderstand me; I am not speaking of tropical fruits, or cotton, but simply of products that could have been produced on the farms of Canada, and if anybody denies it, I have the trade reports here to show that I am correct. The trade reports for 1925 show that we imported, largely from the United States, $149,201,000 of agricultural products which we could have produced on the farms of Canada, and we imported as well $236,000,000 of farm products, such as cotton, tropical fruits, bananas, pineapples, oranges and so forth, which we could not produce in Canada.

Mr. MacLEAN (Prince): Would it not be fair to give as well the exports of agricultural products from this country?

Mr. MANION: As Canada is largely dependent upon her exports and as our manufacturing industries are being put out of business by this government, we are becoming more than ever dependent upon the export of our agricultural products. Our exports are large, particularly of grain, I admit, and other products too, but surely my hon. friend does not wish to kill every industry in Canada. This government are killing as fast as they can all the manufacturing industries in this country; I hope they will not kill all the agricultural industries too. I say, treat our farmers the same as our manufacturers; protect them, just as you should protect our manufacturers. I admit that we cannot protect the wheat farmer, but we can protect the truck farmer, the fruit farmer, and the dairy farmer.

What is there in the budget to cure these conditions? What is there to prevent these large importations of agricultural products that we could produce on our own farms? Who is being helped by this budget? The Americans, largely. I know of very little help that is being given to the Canadians by it. What we have had delivered to us here is simply another American budget. You all remember that there is a range of mountains between France and Spain called the Pyrenees, and that once, when a nephew of Louis XIV was placed on the throne of Spain, an ambassador said, "The Pyrenees no longer exist." If this government stays in power and goes on producing more budgets favouring the United States and injuring Canada, it will not be long before the international boundary line will no longer exist between these two countries.

Are we to learn nothing from the lessons of history? Are we to be only people in the world who will not learn that history teaches this—and I defy any man to show different—that every nation that has progressed and prospered from an industrial standpoint has been a nation which practised the policy of protection. I do not wish to go out of my way to speak of England, which is the only exception, and it is really not an exception because up to 1846, yes up to 1865, England was one of the most highly protected countries in the world, going even so far as to keep out the goods of her own colonies if they interfered with the production of the Motherland. She built up the foundations of her prosperity and success by protection, and then when she had swung all the other countries behind her in a producing way she adopted free trade, because men like Cobden said that if England adopted free trade all the rest of the world would follow suit within ten years. But none of them did, and now England is going back to the policy of protection. The only people that are not profiting by the lessons of history are the theoretical free traders in this House and in the country, and this anti-Canadian government with its anti-Canadian policy. These are the only people. I am going to quote a few things to show that England is profiting by this lesson and that Canada is not. We do not need to quote Canada particularly but we do need to quote England. The Old Country has realized that despite the fact that the French franc is very low in price, despite the fact that the French political situation is chaotic, France is a pro-

tected country and there is to-day no unemployment in the republic, whereas England has from 1,200,000 to 1,500,000 unemployed who receive a dole in that country.

I have a quotation here from an article in the Toronto Globe by a representative of that paper who went over and visited both countries and who gives the facts absolutely as he found them, and he points out the above facts. I do not wish to take up too much time because I wish to finish before six o'clock; therefore I shall not read the quotation in question. But I desire to quote one or two other things. Take for example the conclusion arrived at by Mr. Lloyd George in addressing a meeting in Oxford. He says that Britain imports nearly £340,000,000 of food, half of which the country could certainly produce for itself. He goes on to say:

"In 1871," continued Mr. Lloyd George, "the persons engaged in agriculture in the county of Oxford numbered 27,000 in round figures. In 1921 there were fewer than 17,000, though the population of this country has gone up by many millions."

A little further on he said:

This country has fewer people on the land in proportion to the total population than any other country at any time of the world's history.

We are more dependent on imported foodstuffs than any other country is, or has even been. We import nearly £340,000,000 worth of food half of which this country could certainly produce for itself.

And finally he says:

The labourer to-day is flying from this barren prospect of bondage to anything which looks like liberty, anywhere except the land of his own country.

Now, why is it that the land to-day is going out of use in England, and has been for fifty, sixty or seventy years? It is because free trade England removed all the tariff duties on corn and a lot of other farm products which put out of business the farmers of that country. Let me quote to my hon. friend across the way—the hon. gentleman shakes his head, but let me quote the statement of a man whose authority I would rather take than that of my hon. friend; I refer to Lord Rosebery, who is also a free trader. That statement is as follows:

Under a system of free trade every branch of industry does not prosper. I am interested in the land industry and I do not think that has prospered particularly under free trade. . . . . and it cannot be denied that under a system of free trade large tracts of land have been turned out of cultivation; that our food supply has been diminished; that the population which was once reared in the rural districts is reared there no longer.

I do not care whether my hon. friend shakes his head or not. The fact is that everybody who has looked into the question at all knows the reasons why the farmers in England have been driven off the land, driven out of the country or driven to seek employment in coal mines. The reason is because the products of the farms do not receive any protection.

Now I am going to make a further quotation from the National Review of January, 1926. The National Review is not a political journal, it is one of the well known reviews in England. The National Review says, at page 660 of its January issue:

We should not forget that in her wisdom France has refused to allow the national industries that provide the employment of her urban population and constitute a magnificent home market, to be sacrificed to finance as they are on this side of the channel. There are none of those heart-breaking French queues of able-bodied men seeking without finding work and reduced to the dole, such as are common and conspicuous in devasated England—

Further on it says:

With a solvent countryside, protected native industries, fully employed artisans and prospering trade, France can still afford to smile on her foreign detractors. There are worse things than a depreciating franc. "Deflation" is a crueller taskmaster than "inflation."

Then reading from another part of the article, at page 679, I find the following:

The only reason the oppositions are unable to capitalize the distress of industry for political purposes is that neither of them has so much as a palliative while both have been respectively committed by their Snowdens and their Asquiths to the two twin causes of unemployment, namely, free trade and the gold standard.

That is the opinion of the National Review.

Mr. YOUNG (Weyburn): Is the hon. gentleman opposed to the gold standard?

Mr. MANION: I am not discussing the gold standard, I am discussing protection. I am not going to get drawn into a discussion on the gold standard.

The Right Hon. Stanley Baldwin on January 27 made a speech in which he said that since the introduction of the silk duties in England fifty new industries had started in the British Isles for the production of silk.

Let me quote from a little work which was published last year entitled "The Call for Protection," by G. Graham Anderson. This book is to be found in the Library of Parliament if any hon. gentleman desires to consult it. I wish to make only two or three quotations from it, and very briefly, because I do not want to take up too much time. These quotations illustrate the fact that an increase of duties does not necessarily mean an increase in price, a point which I made at the beginning of my remarks. The first quotation I wish to make is the following:

The results of the McKenna duties furnish one of the most convincing object-lessons this country has had for many years in the national advantages of a protective policy.

In England the duties on automobiles were put at 33⅓ per cent. They were put on during the war not for protection but for the purpose of saving the industry for war purposes. But Sir William Joynson-Hicks, M.P., now Home Secretary, in a letter which appeared in The Times on May 12, 1925, says of the effect of those duties:

The average price to the public of selected British cars of different types shows an average reduction to-day of 50 per cent below the figures ruling in 1921, and these modern cars are fitted with more accessories and refinements than was the case in 1921.

Then again a man who signs himself "Free Trader" wrote a letter which appeared in the London Times of May 13, 1924 in which he says:

The most striking changes that 1923 showed over 1922 were the increases in the number of British cars made, exported, and purchased in this country; the reduction in their average price from £570 to £400; the sale of the same number of foreign cars as in the previous year, but at a reduced average price of £149, as compared with $£189; and the growth in the number of men employed.

Mr. HEAPS: That was at the time the duty was taken off.

Mr. MANION: This illustrates that when the motor industry had been built up by protection the prices came down.

Mr. HEAPS: The duties were reduced, more cars were bought, and as a result the prices came down.

Mr. MANION: The duties are higher to-day. I am giving these quotations for the purpose of showing the effects of protection on the motor industry of England.

Mr. HEAPS: What you are quoting shows exactly the opposite.

Mr. MANION: No, my hon. friend is wrong. Mr. John Bridge, General Manager of the Standard Motor Company, Coventry, says—and this will make the matter quite clear to my hon. friend—speaking of his own company:

Largely owing to the McKenna duties the company has been able to increase its output during the past few years by 500 per cent, and the number of men employed by our company is three and a half times the number employed in 1914. We have also been able to reduce prices to pre-war level, and to secure a footing in overseas markets. But for the duties very few British cars could or would have been exported from this country during the last five years.

That is sufficient to show that the motor duties in England not only increased production and gave more work to the people, but lowered the price.

Mr. DUNNING: Has the hon. gentleman the list of articles protected?

[Mr. Manion.]

Mr. MANION: No, but there are many articles protected in England under the Safeguarding of Industries Act.

Mr. HEAPS: Not very many.

Mr. MANION: Quite a number. The industries protected are now producing on a larger scale and are flourishing while many other industries unprotected are in a dilapidated condition.

Mr. MEIGHEN: There are over 300.

Mr. MANION: Now in regard to the Dyestuffs Act, another important protective measure still in operation. The act was passed in 1920 by the coalition government of which Lloyd George was Prime Minister, and this is the statement which I find in this work with regard to it:

In 1913 Germany made 83 per cent of the world's total production of dyestuffs, and we took 90 per cent of our requirements from abroad. To-day, as a result of the war and of government action, we have a dyestuff industry which supplies 80 per cent of our needs. The dyes made are quite equal in fastness and brightness to German dyes.

Then they proceed in regard to the prices.

In June, 1921, it is stated, the average price of British dyestuffs was a little over 4s. 4d. per pound. In December of the same year it had fallen to 3s. 6d. per pound; in December, 1922, it was about 2s. 6d. per pound; and in 1923 the average was down to about 1s. per pound. These figures represent a reduction of more than 75 per cent in the price of dyestuffs within three years of the passing of the act.

Did the raising of the tariffs there increase the price of these goods? It lowered the price of them. Where is the tariff a tax? The Prime Minister on one occasion in this House stated that a tariff is always a tax. How is it always a tax, if in other countries it can be shown, as I have shown, that in many cases where you raise the tariff and keep the market for your own producers you lower the price of the article concerned?

I wish to make one more quotation from this book, because it contains a germ of truth which I would like to present to the House. It is a quotation from a speech of Daniel Webster, addressing the United States Senate in 1846. Mr. Webster stood very high in the estimation of the people in the United States; he was considered one of the immortals of the country. He says:

Where there is work for the hands of men, there will be work for their teeth. Where there is employment, there will be bread. It is a great blessing to the poor to have cheap food, but greater than that, prior to that, and of still higher value, is the blessing of being able to buy food, by honest and respectable employment. Employment feeds, and clothes, and instructs. Employment gives health, sobriety, and morals. Constant employment and well-paid labour produce, in a country like ours, general prosperity, content, and cheerfulness.

I again ask, are we to ignore the lessons of history because a minority of free traders and low tariff men in this country control the government at the present time? Even England has realized that trade is a battle for markets. She has realized that her imports are unlimited and that thus she is not a free trade country, because no country traded with her on the basis of her free trade policy. But by that principle of unlimited free imports she was throwing away her weapons, opening her gates to the enemy and discarding her negotiating power. She realized that the index of a nation's prosperity is not in external balance sheets, not in the reports of Finance ministers, but in the condition of the workingman's dinner table and his clothes line. Where in this budget is the workingman's dinner table or his clothes line improved? We do not find it has any place in the budget. What we need in Canada is large production, plenty of work and wages for the people; in other words, a policy of buying and selling among ourselves. It is not cheap goods that we need; it is work and wages for our people. Suppose the tariff reduction had lowered the price of automobiles by an average of $5 to $10 a year to the man who buys a car every four or five years, is it not worth $5 or $10 per annum to the citizens of the country to build a broad Canadian development on a solid foundation?

The budget proposes a reduction of the duty on tin plates, which I am informed will injure an industry just formed in Quebec. The tin plate industry in the United States is one of the best illustrations of what can be done under a tariff to build up an industry. In 1890 the United States produced 2,000,000 pounds of tin plates, which was a mere bagatelle because they imported about 1,000 million pounds. In 1913, twenty-three years later, they produced not two million but two billion pounds of tin plate—a thousand times as much—and the price had gone down.

Sir Gilbert Molesworth wrote a book on the tariff question advocating a tariff policy for England, pointing out that steel rails sold in the United States for $150 a ton in 1867 when they had no tariff, and in 1885, eighteen years later, when a tariff was placed on steel rails, the price had decreased from $150 a ton to $27 a ton. Before the war the price in the United States was $26 or $27 a ton, after they had imposed a high tariff and afforded protection for the producer in the United States. He gave a list of 214 other articles which, with increased protection, had gone down in price 25 per cent under the high tariff. Let us do likewise in this country. Let the people of Canada apply the Golden Rule of commerce to other countries—do unto other countries as they are doing unto us. Let us have a policy of Canada for the Canadians. Let Canadian industry, Canadian thrift and resourcefulness provide us with all that we need, instead of our promoting foreign industry and buying the products of foreign cheap production. The issue is clear for the Canadian people to decide and to make a final decision as to their destiny. It is up to the members of this House and the government of this country to abide by that decision. This in a nutshell is the issue before the people to-day: The people of Canada must decide whether, under the lower tariff or free trade policy which this country is following, we are to become a mere adjunct of the United States, allowing others to exploit us, to manufacture our raw materials, our asbestos, nickel, pulpwood and electricity, into the finished products, allowing them to take $5,000,000 of raw materials and convert it into $50,000,000 worth of finished production and thus get employment for their labourers and the manufacturers the profits. In other words, are we to permit ourselves to become the dumping ground for cheap producing countries? Are we to become the hewers of wood and drawers of water, the miners of minerals and growers of grain for other countries and the recruiting ground for their artisans? That is the effect of the low tariff policy.

Mr. EVANS: Is the hon. gentleman in favour of a tariff on the raw material?

Mr. MANION: I am in favour of any tariff which will build up the industries of Canada, whether they are manufacturing, farming or any other kind of industry.

Mr. EVANS: The hon. member said there might be many articles on which there should be a tariff. Does he approve of a tariff on raw material?

Mr. MANION: That is a very wide subject. There are thousands of kinds of raw material, and I am not going to give an answer offhand to any question which the hon. gentleman asked me, because probably he would throw the answer at me at some future time. I want to know the kind of raw material to which he refers. I do not want a blanket question of that sort, covering thousands of articles, and to be asked to give an answer immediately.

Mr. EVANS: I am sorry I did not ask the question earlier when the hon. member was discussing another matter. But does the hon. member mean to infer that England is

going to raise that large quantity of foodstuffs now, by putting a tariff on those foodstuffs?

Mr. MANION: I was not trying to show she was going to try to raise it now. I was trying to show that she had ruined her farmers and agriculturists by taking the tariff off. If I were living in England I would advocate putting a duty on a lot of raw materials and raw products in order to build up agriculture in that country. But I am speaking for Canada and not for England; the people of England will have to decide that question for themselves. I was showing what will happen to Canada under free trade or under a low-tariff policy.

The people will have to decide whether or not they want a national policy of protection for all the different industries of this country, a policy of Canada for Canadians, which will develop our own natural resources instead of allowing others to develop them for us; which will keep our markets for our farmers of Ontario and Quebec and the other provinces; which will protect our workers against a system of low exchange, of cheap labour, and of the low standards of living of the Orient and Europe; which will give stability to the business of the country; which will open the factories which have been closed, which will give encouragement to the establishing of other factories; which will give traffic to our railways by giving them a chance to carry our raw materials and our finished product; which will give work to the workmen of our country; which will give opportunities to our boys and girls to stay at home and to indulge that noblest sentiment in the human breast, patriotism, instead of their being forced to go to the United States, the most highly protected country in the world, to earn a living—in a phrase, a policy which will give us a wide, universal development, which will lead Canada to become a happy, prosperous, and contented nation, which prosperity will bring back to our land the sons who have been exiled from it and will draw millions from other countries to fill our vacant spaces. To my mind the latter policy, the policy of protecting all the industries of Canada, agriculture, manufacturing, and all others, is the red-blooded courageous Canadian policy and that is the policy which the people of Canada should support.

Mr. Speaker, in closing, because of the attitude which I have taken, I intend to move the following amendment:

That all the words after "that" be struck out and the following substituted therefor:

In the late general election campaign assurances were repeatedly given by the Prime Minister and other ministers of the crown that before further tariff changes were made an opportunity would be given industries affected thereby to be heard before an advisory board.

That such assurances were officially incorporated by the government in the Speech from the Throne of the present session in the following words:

"Changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the ministry with respect thereto. A tariff advisory board will accordingly be appointed forthwith."

That such tariff advisory board was accordingly appointed.

And this House regrets that in the case of drastic changes announced in the budget such assurances have not been fulfilled.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. DUGALD DONAGHY (Vancouver North): I desire in the first place, Mr. Speaker, to compliment the Minister of Finance (Mr. Robb) upon the clear, concise and businesslike statement which he presented to the House a few days ago. An occasion of this kind has, though of course on a very much smaller scale, its counterpart in the annual meetings of the ratepayers of our municipal governments. The mayor and council meet the taxpayers at the end of the year and, to use the popular phrase, give an account of their stewardship. Similarly, each year the taxpayers of the Dominion await with considerable interest the statement of the Minister of Finance with reference to the financial condition of this country during the year immediately preceding. It is of interest on such occasions, in reviewing the past, to contemplate also the proposals for the ensuing twelve months, and the taxpayers are always eager to ascertain whether or not there is likely to be any lightening of the burden of taxation.

The country generally received with some surprise and with a great deal of satisfaction the minister's statement, which is now being considered, wherein he showed that not only had expenditures been kept within the limits of revenues during the year just past, but that those expenditures had been so carefully curtailed and the business of the country so economically administered by this government that the very handsome surplus of some $33,000,000 was achieved. This statement is gratifying indeed to the taxpayers of Canada. And following upon that the country received, probably with greater astonishment, the intimation that for the ensuing year there was

to be a considerable diminution in the burden of taxation as disclosed by the resolution moved by the Minister of Finance. Perhaps the greatest and most outstanding act of administration since the days when the war clouds first loomed over Canada has been the much needed reduction in income tax which has been depressing business in this country for some years. The extent of the reduction in income taxes is striking, and in view of our present financial condition it would seem that we have gone as far as we can in that direction for the time being. For example, a man with a wife but no children and with an income of $3,000 per annum will pay no taxes whatever under the new schedule, while the same man, if he receives $3,500, will pay the trivial sum of $10 in taxes. Surely no one can complain of taxation assessed on that basis.

As regards the tax on incomes derived from dividends from shares held in corporations, a change has been made. The hon. member for Fort William (Mr. Manion) this afternoon offered some criticism in this regard. Heretofore the income received from dividends paid to the individual as a holder of shares in a company was not taxable. Was that right? Was it fair that the income produced by toil and labour should be taxed while income so easily secured from capital should escape taxation?

Mr. McGIBBON: Does the hon. member mean to tell me that such dividends were not taxed?

Mr. DONAGHY: I am afraid the hon. gentleman was not carefully following my words. If he will consult Hansard he will see what I said.

Mr. McGIBBON: Answer the question.

Mr. DONAGHY: I do not like to repeat too often. If my hon. friend will listen carefully he will get the drift of my remarks and discover what the change is. The income tax upon the profits of corporations has also been reduced. Heretofore that tax has been ten and a half per cent over and above the first $2,000 of income and it has now been reduced to nine per cent, a reduction of approximately fifteen per cent. The income tax in the United States on the profits of corporations is higher than that; it is thirteen per cent. One of the great objections to this form of taxation is that it discourages investments in the industries of the country. I am glad to see that the government has borne this principle in mind in drafting the resolution. We stand to-day in a more favourable position for attracting capital than does the United States. Their income tax on the profits of corporations is, as I have said, thirteen per cent, and at the end of 1926 it will be increased to thirteen and a half per cent, while ours will remain at nine per cent. So that we shall be in an advantageous position as compared with our neighbours to the south. As I say, this budget resolution places us at an advantage because our taxation on income from investments is less than that of the United States, although ours on personal earnings is higher than theirs.

Another reduction in taxation which the country welcomes, and which probably was not expected this year, is the return to penny postage. The difference between paying three cents and two cents upon letters is of considerable importance to the population generally, especially to the poor. True, it is a small amount in itself, but in the aggregate it means a substantial saving to our people. Penny postage was made popular many years ago and after a great fight it became almost universal, but owing to war conditions it had to be abrogated. The return now to this popular rate of postage is another indication that financially Canada is fast moving out from under the clouds in which she has been enshrouded since the beginning of the war.

If there was one thing more than another that caused Canadians to look with some discouragement upon the future financial outlook of the country it was the annually recurring deficits on the operation of the Canadian National railway system. We have a similar problem to-day in British Columbia, where our provincial railway is being operated at a loss. It is a grave problem to my province. On a much more magnified scale the operating loss on our national system has been a source of much worry to those handling the finances of the Dominion for several years past. I do not think any of us were optimistic enough to expect that the serious operating deficits of from fifty to fifty-five million dollars annually, to which by their steady recurrence we were becoming accustomed, would so soon drop down to the comparatively small figure of a trifle over seven million dollars. The hope that even this deficit will soon be wiped out is, I am sure, shared by all members of this House, regardless of their political affiliations. It was particularly gratifying to hear the hon. member for South Wellington (Mr. Guthrie) state last Thursday that this improved condition was a very encouraging sign, and I think he went so far as to say that there was every reason to expect the national railway system would be upon a paying basis within a very few years.

To a considerable extent discussions on the budget and on the Speech from the Throne

invariably revolve around the tariff. It may be questioned whether too much importance is not attached to the annual debate upon tariff matters, and whether the two sides which battle so strenuously on this subject do so with any very deep sincerity. The history of our tariff legislation for the last twenty-five years shows practically no difference in the various tariff schedules, beyond a point or two, whether the administration was Liberal or Conservative. That bald fact has a tendency to make outsiders think that the range of debate in this controversy does not produce any very fruitful results. Let me say this: the discovery of Marquis wheat has resulted in the production of more wealth for Canada than all the discussions on the tariff that we have had since confederation. I might say the same with respect to the discovery of a new process for treating refractory ores. There are other things of importance besides the tariff worthy of consideration by this House. I welcome the announcement that a tariff board has been appointed. The tariff is too intricate and complex a subject for the people generally to understand and decide. I doubt even if many hon. members could pass a satisfactory examination on the tariff of this country. Some hon. gentlemen talk very learnedly of what the United States tariff is against our goods. This afternoon I heard an hon. gentleman on the other side state quite positively that the tariff on Canadian automobiles entering the United States was 50 per cent.

Mr. CHAPLIN (Lincoln): I never said so at all. I never mentioned Canada.

Mr. DONAGHY: I said an hon. gentleman so stated. I think we all heard it on this side. The statement was a striking illustration of what I have already said, that a great many members of this House would not pass anything like a satisfactory examination on tariff matters, either regarding the tariff of their own country or that of the adjoining republic, whose praises are so loudly sounded by hon. gentlemen on the other side. Unfortunately for the hon. member who made that remark, the tariff on Canadian automobiles entering the United States is exactly the same as the tariff on United States automobiles entering Canada.

Mr. CHAPLIN (Lincoln): The Finance Minister does not say so.

Mr. DONAGHY: The basis of the tariff on automobiles entering the United States is a duty of 25 per cent. Hon. members will find that in Vandegrift's United States Tariff, 1922, at page 70, paragraph 369. Let me read it:

> Automobiles, automobile bodies, automobile chassis, motor cycles, and parts of the foregoing, not including tires, all of the foregoing whether finished or unfinished, 25 per centum ad valorem.

Then a proviso is added to the effect that if any country raises its tariff against United States automobiles higher than that point, the United States tariff against such a country will be raised accordingly.

Mr. CHAPLIN (Lincoln): Why don't you read it?

Mr. DONAGHY: That supports the assertion I made a moment ago, and which some hon. gentlemen opposite challenged. Our duty on automobiles was 35 per cent, and automatically under the article I have just quoted the United States raised their tariff up to the same point, so until the resolution was brought down the other day, the tariffs of the two countries on automobiles was exactly the same, namely, 35 per cent.

Coming back to the question of the most scientific way of dealing with the tariff, I must say that the wisest course seems to have been adopted this year of appointing a tariff board to inquire into tariff matters. In my opinion this board should have been appointed twenty years ago. We would then have had the benefit of a board devoting its whole time to the study of this question in an expert manner, and figuring out the consequences that might result from raising or lowering any particular item. But instead of that, the question of the tariff had been thrown into the political arena at every election, and about four weeks of very florid oratory has been devoted in every election campaign to educating the people of this country on the subject of the tariff. At a time like that, when their minds are excited by the heat of political battle, no good results, no logical conclusion, can ever be looked for from such a proceeding.

In connection with the action that has been taken regarding the duty on automobiles, the criticism may be offered that this action is inconsistent with the general policy of referring tariff matters to a tariff board. It is quite true that the action that was taken could not be justified on any consistent principle, but nevertheless it may and will be justified by the exigencies of the circumstances and of the case.

Some hon. MEMBERS: Oh, oh.

Mr. DONAGHY: It is quite easy to conceive of one of these delicate infant industries that require the constant attendance of the sucking bottle to keep them alive growing

so big and fat and prosperous that its profits and its wealth are such as to shock the public conscience of the people of Canada. That is quite conceivable, and we have had probably the most glaring example of that which it is possible to conceive of in any country in the Canadian Ford Company. Here is an industry protected to the extent of 35 per cent, the whole of which duty it milks and takes from the pockets of the taxpayers of this country, every dollar, and the company waxes so big and fat and pays such extravagant dividends, that the conscience of those who have not been so fortunate as to walk in these golden pathways is shocked at the necessity of keeping the milk bottle constantly at the mouth of this plutocrat. This had been probably the most glaring instance in Canada, and I am not astonished at all that public opinion has revolted and demanded that this condition be remedied by parliament, and remedied now, instead of a year from now. Every rule is proved by the exception, and the rule that a tariff board is the proper body to study and advise on tariff matters is proved by the exception in the case of the Canadian Ford Company.

Mr. ROBINSON: Is not the hon. gentleman aware that 49 per cent of the production of the Ford Motor Company at Ford is exported, and helps the balance of trade in favour of Canada by over a million dollars a year? That being the case, how can this company take out of the pockets of the taxpayers of this Dominion every dollar of the duty?

Mr. DONAGHY: That will not affect the export very much, then. The hon. gentleman has not made his point very clear.

Mr. CANTLEY: Answer the question.

Mr. DONAGHY: There are two other matters which probably enter more into the question of the industrial development of Canada than the question of the tariff. One of those matters is the necessity for a fair and equitable adjustment of the freight rate structure all over this Dominion. That adjustment is more important than the tariff. We have heard a good deal on this subject in parliament during the past two months. We have heard the members from the Maritime provinces complain that the coal of Nova Scotia cannot at present freight rates be hauled to central Canada. They also complain that the ports on the Atlantic coast are not being used to the extent to which they should be used for the handling of Canadian grain. We have heard the same complaint regarding the ports on the Pacific coast, and we have heard the complaint that owing to the high freight rates coal from Alberta cannot be shipped to central Canada. Canada being so vast in extent, comprising as it does so many thousands of miles from ocean to ocean, is an exceedingly difficult country to govern and govern justly in order that hardships may not be imposed upon one section of a country more than upon another. There is nothing which will help more greatly to equalize the conditions of the people and the industries in the various parts of the country than a fair and equitable adjustment of the freight rate structure throughout the whole of Canada. The grain growers of the prairies desire low freight rates on their grain so that they may get that grain to the ocean and to the world's markets on a competitive basis with grain from some other country. On the other hand those who live in the cities and ports on the seacoast desire to see Canadian grain go through those ports and to see merchandise imported into Canada come directly into those ports. It is a matter for gratification that the government has taken another step in the latter direction. As a result of that step we understand that after the end of the present year it will be necessary that imported goods, in order to enjoy the full British preferential tariff, shall enter direct through a Canadian port. This is a step in the right direction. We should encourage the shipping of both exports and imports through our own ports.

The government, in my opinion, has taken proper steps during the past six or eight months for the equalization of the freight rates and the solution of the great problem involved. We find that on June 5, 1925, it passed an order in council which in part reads as follows:

> The committee therefore advise that the board be directed to make a thorough investigation of the rate structures of railways and railway companies subject to the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries, and in particular to:
>
> (a) The claim asserted on behalf of the Maritime provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;
>
> (b) The encouragement of the movement of traffic through Canadian ports;
>
> (c) The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama canal.

Subsequently, on January 7, of the present year, an order was passed by the government which reads as follows:

The committee of the Privy Council therefore recommends that the Board of Railway Commissioners for Canada be directed, as a part of the general rate investigation above referred to, especially to inquire into the causes of Canadian grain and other products being routed or diverted to other than Canadian ports, and to take such effective action under the Railway Act, 1919, as the Board of Railway Commissioners for Canada may deem necessary to ensure, as far as possible, the routing of Canadian grain and other products through Canadian ports.

Mr. QUINN: What is the date of that order?

Mr. DONAGHY: January 7, 1926. In my opinion the government in that order, for the present time at any rate, has gone as far as it possibly could. The fixing of these rates is now in the hands of the Board of Railway Commissioners subject, of course, to an appeal to the Privy Council. In the order in question the government has directed the Board of Railway Commissioners as to the policy which should be pursued by them on general principles. The government has made known the general principles on which it thinks the board should act, leaving the board free to work out the scheme and the details.

Next in importance, probably, to the equitable and fair adjustment of the rate structure throughout Canada is the adoption of proper means for opening up new markets for the products and manufactures of this country. More can be done by the negotiation of favourable treaties for the development of Canadian industries and the employment of Canadian workingmen than can ever be accomplished by any debate upon tariff issues.

Mr. SPENCE: Name one such treaty.

Mr. DONAGHY: The Australian treaty, and I wish to give you a fairly good example of what it has accomplished.

Some hon. MEMBERS: Oh, oh.

Mr. KING (Kootenay): Do not my hon. friends opposite like it?

Mr. DONAGHY: It is first of all desirable, so far as is practically possible, that the great stores of raw material which this country possesses in such vast degree should be manufactured in Canada; these resources should be worked up in Canada by Canadian workmen and give employment to our own people. In pursuance of that general principle and policy the government negotiated a very favourable commercial agreement with our sister dominion, Australia, under which the newsprint of Canada is admitted into Australia on favourable terms. We know that in the year 1920 Canada lost the Australian market for its paper products. In that year Australia gave Great Britain a preference of $15 per ton on British newsprint. That shut Canada out of the Australian market. Through the efforts of this government, however, in negotiating a commercial treaty with Australia, Canada has now been admitted to the markets of Australia on these specially favoured terms so that her paper enters free as against a duty of $15 per ton on the newsprint of other countries. The newsprint industry of Canada is only in its infancy, but it will not be many years before it will be one of the greatest industries in this Dominion. We probably have in Canada the greatest stand of timber in the world to-day. Is it not desirable that through the negotiation of treaties opening up markets we should be enabled to manufacture the products of our forests at home in Canada and give employment to our own workingmen? One of these manufacturing processes is the working up of the rough product of the forest into newsprint. But what is the use of doing that if you have not got markets for the product? The first step to take is to find a market. Having found a market, as we have for newsprint, the manufacturing of it at home by our own workmen naturally follows. We have a very good example of that in the province of British Columbia. About 100 miles north of Vancouver there is the town of Powell River, which is entirely a paper-manufacturing community of some 4,000 inhabitants. As a result of this treaty that company is now installing a new machine and doubling its capacity. Although that is an American concern, very few Americans are employed in it, and approximately 40 per cent of the workmen employed in that paper mill industry are veterans of the Great war, men who fought in France. What is the outlook in Canada for the future in the paper industry? The programme to-day of the Canadian paper industry is the installing of eighteen new additional machines. What is the programme of the world? For England the programme for the remainder of the year is the installing of one new machine, and for Finland one new machine. That is the world programme. Canada stands out preeminently over the other countries of the world in the programme she is outlining for the manufacture of newsprint. Shall we not go on and multiply treaties of this kind if possible, negotiate them wherever they can be negotiated on favourable terms, in order that the

raw material of this country can be manufactured at home and industries built up in Canada on a sound commercial basis, utterly regardless of this wrangle we have every year in regard to protection?

We have this tariff with us; we have had it with us since we were children, and it will be with our grand-children. It is here to stay. History shows that. There is no use trying to deceive the public in regard to this matter. Notwithstanding the very heated and learned debates that we listen to between the various parties in this House, history still remains and the cold fact still stares us in the face that this good old tariff has never changed more than one or two points under any administration. The way to build up a country and its industries and to create employment is not by wasting time debating the question; it is by going out and negotiating commercial treaties and finding a market for our raw products manufactured in Canada. The treaty with the West Indies is another example of that, and I have no doubt, if the government uses good judgment and is industrious and energetic, we will be able to multiply the favourable treaties as the years go by. We cannot get them all in one year. It is particularly commendable to note that the treaties negotiated in recent years have been made with our sister dominions. That is a very favourable outlook. We may look forward in the near future to the circle being increased, and later on we may possibly take in with our treaties, all the dominions forming the great British Empire.

I know it is not usual for a member upon his first appearance in the House to take up a great deal of time, and I have spoken long enough. I thank you, Mr. Speaker, and hon. members of this House, for the courteous hearing you have given me.

Mr. D. M. SUTHERLAND (North Oxford): Mr. Speaker, the hon. gentleman who has just resumed his seat (Mr. Donaghy) who has an acute legal mind which we have seen functioning in a fearful and wonderful manner at the customs probe, has given us a very good speech to-night; particularly did that legal mind come into play when he endeavoured to explain the exigencies of the situation which necessitated that the government should not direct the attention of the tariff board to the automobile industry. Apart from that, the hon. member made a very good protectionist speech, such as I am sure his protectionist constituents in Vancouver North will welcome.

I have understood that the discussion on the budget generally takes rather a wide range, and all sections of the country present their views in regard to matters which particularly affect them. This, I take it, is an exceedingly good thing, particularly for new members in the House, of whom we have a large number. It gives them a chance to widen their viewpoints and see what is going on in other parts of the country, and it also leads one to realize that this country must be governed by a policy in which there is a good deal of give and take. The hon. gentleman could not bring himself to one thing—he could not defend the Minister of Railways (Mr. Dunning) in the situation that was brought up in the House this afternoon, when we saw the spectacle of a minister of the crown endeavouring to change the meaning of what he said under oath out in the province of Saskatchewan. That is a thing that I do not think any minister has ever been known to do in this House before. There is also the spectacle of a minister being exposed, when it was clearly shown that he went up to the riding of West Middlesex and gave details of a conversation with another member of this House, which conversation never took place at all. We have heard a good deal from members on the other side of the House about stocks going up in this country since this government came into power. What has happened to-day certainly will send down the stocks of the hon. Minister of Railways in this country and in this House. I venture to say that had these facts been known to the government, even this government, brazen as it is, would not have asked him to sit in council with them.

I wish to continue what I was saying about the different parts of the country having different viewpoints. We have heard a good deal about the coal industry since we have been here, particularly from our friends from the Maritime provinces, and there is no doubt whatever that upon the proper solution of the coal problem depends a great deal that is very important to Canada as a whole. In the report of the provincial royal commission which was made last year, a former member of this House, Mr. Hume Cronyn, in an illuminating addendum to the report, sets out clearly what the rest of the country must do to solve or help to solve this fuel problem. He says that federal assistance towards the establishment of coking ovens must be given or, second, that there must be a substantial increase in the import duty on all bituminous and anthracite screened coal. In the budget

that was delivered the other day no assistance was given to the coal miners of Nova Scotia, and the reason advanced was that the matter had been referred to a commission and therefore was under discussion and should not be dealt with by parliament. In spite of that the question of the tariff on automobiles is being dealt with in this House without being referred to a commission for investigation.

Another matter on which I wish to touch, because it enters very closely into the questions of the day, is the question of immigration. My views on immigration may differ from those held by many others. I believe in our present situation in Canada the cities should be built up ahead of the rural districts and our endeavours should be directed towards that end, because we would thus give more employment and a bigger market to the people in the rural districts. I realize that it would be folly to bring people to the cities unless we had work for them to do. The main problem, therefore, is to provide work in our cities, to bring the people in and to build up our urban population; that is what Canada needs far more than an increase in the number of farmers to settle on our land when our farmers now, according to some of them, are having hard work to make a living. The idea of bringing in more farmers is being advocated more by the farmers in this House than by others, and it is the only instance within my knowledge of an industry, which is complaining of hard times, urging and welcoming more competition for itself. That does not seem to me to be logical. In my opinion the cities should be built up first.

Another reason for my contention is this, that from year to year there is very little difference in the quantity of food products that are used throughout at least that part of the world that we have to do with. There is very little increase in population and, therefore, very little need for our farmers to produce more stuff. The situation in the cities is very different. More kinds of manufactures are coming to the fore every minute and there has been a tremendous development even in the last thirty years. The whole automobile industry, the phonograph industry, the radio industry and many other new kinds of manufactures are employing much more labour and that will be the case from now on. We shall therefore have more room for employment for the people in the cities as long as we have a proper fiscal policy that will provide work for them there.

A great deal has been said about the word "protection," or "safeguarding," as it is called in some countries. I am firmly of the opinion that on that system of protection depends to a great extent the prosperity of Canada. When I speak of protection I mean simply protection; it is something that does not need to be qualified by an adjective "high," "low," "moderate," or anything of that kind. If you protect an industry, protection is all it wants, and it is superfluous to say "high," "low" or anything else. It is simply protection this country needs; if it has that it will get along all right.

The Minister of Finance (Mr. Robb) in his address laid a great deal of emphasis on the balance of trade as regards our dealings with the rest of the world, and he cited figures that were in a way very satisfactory. Our main dealings are with the United States, and according to the latest available figures, which take us up to the end of February of this year, we have a very large adverse balance in our dealings with the United States. In this year, 1926, we have imported from the United States $123,035,937 worth of stuff more than we exported, and in 1925 we imported $97,393,324 worth more than we exported. That shows that our adverse balance of trade with the United States is getting larger, in fact being more than $25,000,000 worse this year than last year. If this policy of cutting the protection from the automobile manufacturers goes into force and many of these cheaper cars are brought in from the United States, that adverse balance will be materially larger than it is now.

This budget as a whole is what might be termed a Saskatchewan budget. That statement deserves a little explanation. The general policies in Saskatchewan seem to be policies of annihilation and assassination rather than protection, and if

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those members from Saskatchewan who seem to favour those policies get any more power in the House than they have shown they have, there is going to be very serious trouble for this country. The reason why I attribute this to Saskatchewan is, as the hon. member for Fort William (Mr. Manion) said this afternoon, because no reference was made in the Speech from the Throne to this reduction in the tariff on automobiles. I attribute this reduction more to Saskatchewan Liberals even than to our Progressive friends and I base this statement on part of a letter written by the hon. member for Mackenzie (Mr. Campbell) to his home paper about February 5, when he said:

> The Speech from the Throne reassures the manufacturers by announcing that further changes in tariff duties are undesirable.

This shows that the caucus which has been carried on and the conferences which had been held between the Liberal government and the Progressive executive had not at that time discussed and decided upon this question. What happened between that time and the present? Only this, that the Prime Minister (Mr. Mackenzie King) was forced to leave Ontario and go to Saskatchewan for a seat and the Minister of Railways (Mr. Dunning) left Saskatchewan and came down to Ottawa to take a seat in the cabinet. Those two moves are the explanation of this tariff change. I do not think any reasonable person throughout Canada can bear out the stand of the government in this matter. I do not really think the Quebec Liberals, to a certain extent, bear out this stand, because I have noticed for the last two or three days that whenever there is any applause on the other side on account of the budget, the Liberal members applaud income tax reductions and the Saskatchewan members applaud reductions in the tariff on automobiles. That shows what the feeling of the House is on the matter.

During the debates that have been going on in this House almost since the beginning of the session we have heard a great deal from nearly every province as to its own particular question, Quebec being the only exception. Practically no one from the province of Quebec has risen in his place and told the House what are the main questions in which that part of the country is interested. There is a representation from Quebec of sixty-five members, sixty-one of whom are on the other side; yet we have heard practically not one word regarding the problems of that province.

Sir EUGENE FISET: That is because we are satisfied and happy.

Mr. SUTHERLAND (North Oxford): So that in the absence of any declaration on the part of the delegation representing that province in this House, we have only to take the words of people outside on the questions affecting the province of Quebec. After reading the speeches of influential men in that province I say unreservedly that Quebec is protectionist. Let me read first of all a letter written by the provincial Minister of Agriculture. This matter has been referred to before, but as it is important I shall discuss it again.

Some hon. MEMBERS: Oh, oh.

Mr. SUTHERLAND (North Oxford): Gentlemen opposite scoff at any mention of the Minister of Agriculture for Quebec. I do not know whether that gentleman is in good repute with this government or not.

An hon. MEMBER: Very good.

Mr. SUTHERLAND (North Oxford): In that case, then, my hon. friends will attach some weight to his opinions.

Sir EUGENE FISET: Let the hon. member read the explanation which the provincial Minister of Agriculture made at a public meeting in the province on the same subject.

Mr. SUTHERLAND (North Oxford): The statement I am about to read is set down in black and white and does not lend itself to any two constructions; its meaning is quite clear on the face of it. The letter has been mentioned before but it is so much to the point that I venture to read it again. In reply to a gentleman who had made certain inquiries of him the Minister of Agriculture in the local house wrote:

> I have your letter and also the accompanying resolution. I made further application to the federal authorities this year to obtain in favour of farmers a raising of the duties on agricultural products entering Canada from the United States so as to protect the Canadian farmer in the same degree as the American farmer is by the Fordney tariff. I regret not to have succeeded in my application, as the budget speech—

That is to say, the budget speech of last year.

> —makes no mention of any change in this part of the tariff. I always hope, however, that the federal authorities will accede to the numerous requests which have been made to them, and to my own repeated solicitations.

That letter comes from a responsible minister of the crown in the province of Quebec, who would not write in such terms unless the other members of the provincial cabinet were in sympathy with the view he takes. And remember, the provincial cabinet is Liberal; the people who voted for hon. gentlemen opposite voted also for Mr. Caron and his associates in that province. Does anyone mean to say that those people voted at one election for protection and at another election for something quite different? I make the statement again that rural Quebec, as indeed Quebec in general, is protectionist. More than that, the sixty-one representatives opposite from that province are undoubtedly, in my opinion, also protectionist in conviction, so that they are not really representing their constituents faithfully in parliament. So much for agricultural Quebec.

The present president of the Canadian Manufacturers' Association, Mr. Fortier, comes

from the province of Quebec, and on numerous occasions he has been in Ontario, having visited Hamilton last year. He spoke, too, at the opening of the Toronto fair, and on that occasion, just as he did at Hamilton, he made a strong protectionist speech. Now, here are two gentlemen representing different walks of life in Quebec province, and both speaking out in favour of protection. I understand, although I do not know it to be a fact, that in politics Mr. Fortier is a Liberal.

Some hon. MEMBERS: Oh, no.

Mr. SUTHERLAND (North Oxford): Anyway, he is in good standing in his province, a man of sufficiently good repute to be made president of the Canadian Manufacturers' Association. The fact may have struck others, as it has certainly struck me, that in some quarters in this House it is only necessary in order to provoke applause to make sneering references to the manufacturers. In certain parts of the chamber, notably in the section representing the province of Saskatchewan, there is immediately a tremendous clapping when such remarks are made touching the manufacturers. Is that right? I notice, however, that hon. gentlemen from Quebec never do that; they never applaud any sneering remarks made at the expense of the manufacturers. Indeed, Mr. Speaker, there is noticeable a distinct line of demarcation between those who applaud the abuse of manufacturers and those who do not. The representatives from Saskatchewan always do; those from Quebec do not. And how these two elements, so utterly different, can get together solely for voting purposes, I do not know and cannot understand.

If one desires to state one's position clearly in this House or anywhere else, for that matter, it is essential to state just what his ideal is for Canada at the present time. Personally I am in favour of an all-round development in this country, embracing manufacturing, mining, farming and every other industry, so that we may become in time an important country, capable of maintaining our place in the empire. This is a subject in regard to which there is a difference of opinion in this House. The hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for Labelle (Mr. Bourassa) have stood up and advocated what is tantamount to separation from the British Empire, and gentlemen from Saskatchewan as well as some others have applauded such sentiments. It is deplorable that gentlemen should advocate proposals of that kind and receive applause from any portion of the House. For my part I am absolutely in favour of our remaining within the empire; and war or no war, I am for the empire.

[Mr. D. M. Sutherland.]

Mr. McINTOSH: How does the hon. member stand on the question of preferential trade within the empire?

Mr. SUTHERLAND (North Oxford): That question presents no difficulty to me. I am in favour of preferential trade within the empire. I am absolutely for such trade and, I repeat, the question does not bother Conservatives. Every time we have a chance to buy something which cannot be made here I say, buy it from the United Kingdom or from any other part of the empire rather than from the United States or any other foreign country.

Now, I come to the subject which is of special importance to my own constituency, namely, farming. My riding is largely agricultural. We raise a lot of first class stock in the riding and any gentleman from Saskatchewan who has a black and white cow which he prizes, if he traces its ancestry back, will probably find that the original stock came from the county of Oxford. In milk and milk products we have played an important part in the country. In the county of Oxford the Toronto City Dairy has three large plants, Neilson's of Toronto have one large plant, as have the Canadian Milk Products Company and some other concerns, and there are as well a number of country butter and cheese factories. So anything that affects the dairy industry of the Dominion is very seriously felt in that riding. And the dairy industry in that county has been adversely affected by the Australian treaty, which the hon. gentleman who preceded me (Mr. Donaghy) lauded to the skies. In this connection I have a couple of resolutions from cheese and butter factories in my riding which I desire to place on Hansard. It will be realized that these resolutions reflect the opinion of a large number of milk producers who are the patrons of these cheese and butter factories. The first is from the Bright Cheese and Butter Manufacturing Company, Limited:

> That we patrons of Bright Cheese and Butter Manufacturing Company at our annual meeting do protest against the Australian treaty, in that it does not afford the dairy interests of the Dominion the protection enjoyed by other manufacturing concerns in Canada.
>
> Therefore we would ask a speedy repeal of this unfair measure; and that a copy of this resolution be forwarded to the Minister of Agriculture, Ottawa.

The other resolution is from the East Zorra and Blandford Cheese Manufacturing Company, Limited:

> Resolution passed at the annual meeting, March 1, 1926.

Whereas the federal parliament has legislated, giving to Australia a preferential tariff on cheese and butter, and by order in council has extended the same preference to New Zealand;

And whereas this legislation is detrimental to the dairy industry of Canada;

Be it resolved that the patrons of the East Zorra and Blandford Cheese Manufacturing Company, Limited, of the county of Oxford, Ontario, records its disapproval of these concessions and respectfully requests immediate action to be taken to safeguard and advance the welfare of the dairy industry of Canada.

Now, there may be some Progressive members from Saskatchewan, who passed their early days in Oxford county and therefore are familiar with its political history. It has been for the most part very strongly Liberal, and consequently these resolutions from the rural parts of the county are conclusive evidence that the dairy farmers there are very acutely interested in this question, for it has been brought home to them very strongly that the Australian Trade treaty is already proving very detrimental to their interests.

With respect to the very important question of immigration, Sir Henry Thornton, speaking on the immigration policy of Canada, has expressed this opinion:

The whole future of Canada and of the railway systems in Canada depends upon increased population and upon the increased traffic which would result therefrom.

I submit, Mr. Speaker, that the government have not been doing what is necessary to secure the immigration to which Sir Henry Thornton refers. May I suggest that what I am about to read from the report of the Minister of Immigration for the fiscal year ended March 31, 1925, discloses a state of affairs that may account for the failure of whatever immigration policy the government may have? I find the following paragraph in that report:

The organization in the British Isles has been seriously handicapped by the promotion of office boys to the positions of senior clerks or of assistant agents. These anomalies are being adjusted in the process of reorganization by the department, and whenever possible employees are being transferred to positions where the work is within their knowledge and capacity.

Is not that an extraordinary statement to find in a government publication?

I had hoped that the Minister of Finance when presenting his budget would have announced changes with regard to the Australian treaty. I am yet hopeful that our friends from Saskatchewan and the other prairie provinces will aid the farmers in the other parts of the Dominion in securing some changes in that treaty. Our friends from the west must remember that the farmers on the prairies have already a good deal of protection which the farmers of the east do not enjoy, and I consider it is up to them to assist the dairy farmers in the east to secure a certain amount of protection as well, particularly in relation to the Australian treaty and against agricultural products from the United States. That is the great trouble of our dairy farmers, and it has been evidenced this spring especially in the egg business, enormous quantities having been brought in from the United States, thus destroying the winter market which our farmers are entitled to. I hope when this matter comes up again we shall have the united support of farmer representatives in other sections of the House in assisting us to get redress.

Mr. W. K. BALDWIN (Stanstead): Mr. Speaker, the hon. gentleman who has just sat down (Mr. Sutherland, North Oxford) is somewhat concerned to know our views about the tariff, and I propose to deal with that question at the outset of my remarks. First, I do not believe you are sincere.

Some hon. MEMBERS: Louder.

Mr. BALDWIN: You can hear me over there. We in Quebec have been misunderstood by other portions of this great Dominion. We in Quebec, the French and the English, the Catholic and the Protestant, have such respect for each other that we entertain no suspicions. For over forty years we had the advantage of our distinguished leader, the late Sir Wilfrid Laurier, who during that time was the dominating figure in the public life of Canada. I remember during my first three sessions of parliament whenever I saw that great man rise in his seat to address the House I was reminded of two other distinguished men, William Ewart Gladstone and Abraham Lincoln. If we to-day will remember those illustrous men, Laurier, Lincoln and Gladstone, we will not go far amiss in doing our duty as public men.

In the province of Quebec we have a contented and happy people who believe in adequate protection—not in protection simply for protection's sake, to make a few people exceedingly rich at the expense of the masses. We believe that this great country with its diverse interests must be a country of give and take. In the last parliament there were as many free trade speeches from the extreme east as from the extreme west. We have the interests of the Maritimes at heart in this House. I have heard it said on the opposite side of the House that the last parliament had no exponents of Maritime rights, but we who sat in the last parliament know differently. We have also the great manufacturing in-

terests, as well as the interests of the farmers and the toilers, of the great provinces of Quebec and Ontario at heart. All classes receive our consideration, and we do not want the few to grow rich at the expense of the masses. The great west has also its peculiar interests, and let us remember that more than two-thirds of this vast and amazing country lies west of the province of Ontario. Let us remember that the redistribution which follows the decennial census in this country will always result in an increasing number of members coming to this parliament from the great west. Let us try and build up in this country a great and united Canada. Let us be broad-minded and charitable one with the other. We have a country here that will be second to none on this earth.

With regard to the tariff, we need to do what this government is doing to-day, to promote trade within the empire, with all the colonies and dominions of this great empire. The United States, with all its wealth and greatness, would feel very small indeed if the British Empire, with over five hundred millions of population, were agreed upon a preferential tariff within the empire which might possibly lead at some future time to absolute free trade within the empire. Then we would have an empire that would be able to produce within itself every product known to the world, an empire that would be able to satisfy every need of humanity from within itself. That is why this government has initiated this policy, and it is for that reason that the government is being criticized by the opposition. An analogous case to this great empire trading within itself is that of the forty-eight states of America, each trading with the other with no trade barriers between them. With preferential trade agreements between the different parts of the British Empire, or with no trade barriers at all between its component parts, the British Empire would become the greatest that has ever been known on the face of the earth. It is the empire on which the sun never sets, and I hope it never will. In unity there is strength, and the government's policy is to increase trade within the empire.

The hon. member for Fort William (Mr. Manion) this afternoon in his whirlwind speech spoke so dolefully of the business of this country that I and a good many of us asked ourselves: Is there really a Canada, or is she lost forever? He followed the old tactics of "whispers of death," shouted blue ruin, and blamed this government for things of which they are not guilty. When this government came into power four years ago we followed the most extravagant government that Canada ever had, and an incompetent government. It was a government that had spent without a doubt more than a billion dollars unnecessarily in the great conflict of the world war, and yet hon. gentlemen opposite now claim that the country should have been relieved years ago of the burdens which they themselves imposed upon it. It was they who imposed these burdens on the country. The budget is reducing postage by fifty per cent. Some may think that a little thing, but there are thousands of concerns in this country that buy thousands of postage stamps at a time. The reduction of 2½ per cent in the sales tax is also a lessening of the burden on business. The Minister of Finance has also made substantial reductions in the income tax.

Then there is the reduction in the tax on automobiles. Personally I think we have ten automobiles in this country where we should have one. The automobile, the great embodiment of intricate machinery, for several years has been destroying one-quarter of a million people, and it has injured nearly half a million every year in accidents. In the province of Quebec we do not care very much for automobiles. We see enough of what it is doing in the United States. The automobile has brought more sorrow in this country than it has ever brought gladness. Nothing does more to degrade the young women of this country. I am taking the words of the people of the United States, who say there never was such an instrument to deprave the young women of the United States as the automobile. I go further: The houses of pollution in the great cities in the United States were closed by men like Rev. Charles A. Parkhurst of New York City, but the automobile took their place. In this city to-day men not worth $100 are riding around in $2,000 automobiles. They see a young lady standing on the curb, drive up and smile, and in fifty cases out of a hundred she goes for a ride, and after a while she gives him a slap in the face and she turns back. People are mortgaging their homes to buy automobiles all over the American continent. Down in Quebec, in this region here, and in New England the automobile has become an outrageous curse, because the farmer cannot run an automobile for more than six or seven months of the year; it has to stand idle during the winter, and he has to pay interest on it, and overhead is eating it up. It is necessary for him to keep his horses, sleighs, carriages and harness. It is quite different in the west, with its vast areas, and in California and the

southern states, where the farmer can get his ploughing done with a tractor and says good-bye to the horse. But really there is no comparison between a horse and an automobile. Who would not take a ride in the phaeton of olden days over the hills, see things animate and inanimate, and hear the songs of the birds? The business of the automobile is to get there, and get there quick, and if you get in its road, there is no safety for you. This country would be hundreds of millions of dollars better off if the automobile had not been invented until after the war debt had been paid off and the highways had been made permanent. We people in the back country have the fun of paying the taxes. We build roads for these American cars to travel on and be smashed to pieces. Our roads are only available for automobiles during the summer months, which after all is a comparatively short period. When the season is too dry there is a cloud of dust and in wet weather there is too much mud. The farmer has to take the dust or the mud as it comes, and then submit to being cursed for not providing good roads. There are a whole lot of automobiles in use in Canada. In proof of that you have only got to take a walk through the streets of this city. If they continue to increase the streets will have to be widened. The streets are so congested with traffic that if you can get across a thoroughfare without being killed you render thanks to God.

The government is to be commended for the budget it has brought down, but if one were to judge by the comments on that budget which one has seen in the newspapers these last few days he would conclude that there was no real sincerity in anybody. Hon. gentlemen opposite have worked themselves into a fine state of enthusiasm championing the cause of the workingman and the labourer. In the province of Quebec during the last campaign they went up and down the country talking about everything and anything, and they called for more protection. They said "Down with the Australian treaty, down with the New Zealand treaty, and down with the West Indies treaty". They tried to scare the farmers to death, and now they are trying the same game with the workingmen. But let me tell my hon. friends that since the King government came into power not a soup kitchen has been opened in all Canada. The leader of the opposition may smile, but let me tell him that I have the best authority for that statement.

Mr. MEIGHEN: You are badly out.

Mr. BALDWIN: That is conclusive evidence that industry is not languishing in Canada, and that there is lots of work for everybody. Great industrial development is under way not only in the province of Quebec but in the province of Ontario. I was in the Niagara district a few weeks ago and a young man came to St. Catharines to answer an advertisement published by a certain industry. He said to the proprietor of the industry, "While I am coming to you for an engagement I have letters from four other industries that want me". Now that particular industry has 150 per cent more people on its pay roll than it had one year ago; it has orders ahead for six months, and other orders continue to come in regularly. Why, you would think to hear the hon. member for Fort William that devastation and everlasting ruin were facing us here. You would think that the waters would yield no more fish; that the gold mines would furnish no more gold; that the cows would give no more milk; that the silver mines had sunk to such depth that they could no longer be discovered. There was nothing but lamentations and dreariness in the hon. gentleman's treatment of the industrial situation in Canada. That is not a good thing for this country; it is not a good thing to appear in Hansard and to be read by outsiders. The whole thing is a bugaboo. We heard of factories being closed and men being thrown out of employment, but in less than twenty-four hours those factories had been re-opened. I understand a deputation is coming to interview the government in regard to the tariff. Well, a tariff is not something that cannot be changed.

Some hon. MEMBERS: Hear, hear.

Mr. BALDWIN: I have implicit confidence in the Minister of Finance, but we are all human and it is possible for us to err.

Some hon. MEMBERS: Oh, oh.

Mr. BALDWIN: Do not be alarmed; the present Minister of Finance has not made any error, and I have not acknowledged that he has done so. I say we are human and it is possible to err—

Some hon. MEMBERS: Hear, hear.

Mr. BALDWIN: —but there has not been any error made in this case. However, I recall the fact that the Minister of Finance in 1919 and 1920 changed his programme several times. His proposals were fought in committee, and several changes were made. The sales tax was changed, and other changes were brought about. My hon. friends opposite are making a great show about their desire to save the labourers and the toilers of

the country, and describing the condition of Canada in most gloomy terms. It is absurd. The country is not going to the dogs as these hon. gentlemen would have us believe. Personally I am willing to go down into my pocket and help to establish industries that will give employment to our sons and daughters. I feel good pursuing that kind of life, and I am going to keep on living for a long while yet if I continue in that frame of mind. A gentleman from New York came to see me here regarding a business in which I was interested. He wanted to come to my room in order to give a little inventory.

Some hon. MEMBERS: Oh, oh.

Mr. BALDWIN: Hon. gentlemen need not laugh, because I am going to indulge in a crack at the automobile. I said to this gentleman, "I will give you a cheque up to six figures." He replied "All right; I will get a taxi and come up and see you". I said to him, "If you get a taxi you cannot do business with me. You can walk to my room in less than three minutes and if you do so the cheque is yours". Think of a man wanting to ride in an automobile for such a short distance! That is an illustration of the absurd things people will do.

The hon. member for Southeast-Grey (Miss Macphail) was talking about old age pensions one day. Like myself she comes from a rural section, but while I was born in the fifties she was not. But she understands that a little money can be made to go a long way if you have a little brain and are accustomed to frugal living and right habits. The leader of the opposition belittled the pension of $20 a month. Why, $20 a month was too small! How could a poor man with a family of eight or ten children feed that family and clothe and educate them? Well, those of us who were born in the fifties were not very sparing of the soles of our shoes but we were sparing of the seats of our pants. But the leader of the opposition says that twenty dollars a month is a mere bagatelle and far from sufficient.

I take this opportunity of speaking to-night because in this budget we have a wide scope and a wide range of subjects to deal with. I fully agree that the hon. member for Southeast Grey (Miss Macphail) was perfectly right in saying that $20 a month is sufficient to alleviate the wants of anyone who is sixty or seventy years of age. They would live frugally. Of course they say that necessity was the mother of invention in those days and people succeeded in living on a very small sum because they worked hard and lived frugally. I do not know what conditions will be like fifty years from now; probably $60 a month would not be an adequate allowance to live upon. The hon. member for Fort William (Mr. Manion) asks why this sales tax was not taken off two or three years ago. I would remind him that this government assumed a tremendous burden when it came into power. Great deficits were accruing year after year Three years after the war they had not been able to stop the deficits. When this government came into power the Canadian National Railways were in the worst possible condition, and the Prime Minister, a student of the great Sir Wilfrid Laurier, whose judgment he had imbibed into his being, searched the country for a man large enough to run the railway. He found Sir Henry Thornton, the greatest man available in the world for the job. Sir Henry was criticized in this House in 1921 and 1922, but not so very long ago opinion in regard to him began to change, and broad-minded men throughout Canada, who perhaps had formerly criticized Sir Henry came to realize that he was fully capable to assume charge of the road. Time has proven that Sir Henry Thornton is big enough and has a scope and breadth of mind sufficient to enable him to carry on the system. I expect that within two years he will be able to show a surplus on the Canadian National and if the railway is not able to pay dividends it will at least pay expenses and wipe out the deficit. Hon. members have criticized the government within the last few days because the burdens on the people were not being lifted, but the government is now taking action which will have the result of improving conditions and making business more prosperous.

I desire to tell hon. members what the government has done and to tell them why there is a third party in this House. The Progressive party was formed some years ago, with men of strong character who had a determined idea that the great west needed representation in this House—and they have procured it. If there is a third party in the House it is because the Union government were not sincere and would not make it fifty-fifty with the other side when that government was formed, but wished to keep the iron hand of Toryism over the administration; they would not stand for a fusion with the other side. The most able men in the Conservative party thrust out their clenched fist in denunciation of the Progressive party; they had no use for them and their ideas. In 1921 a large representation from the Progressive party was sent to parliament. They did not need to read their speeches when they got on their feet, although I do not think they had the

training of some other men who come here and read speeches prepared by somebody else. I consider it a compliment to have the members of the Progressive group in this House.

What means I possess are all invested in industry in this country. I have an interest in the industrial world, and I would not make one change in the tariff to injure industries. I have heard the former member for Marquette, Mr. Crerar, the hon. member for Brandon (Mr. Forke) and other Progressive members in this House state several times that they did not desire to injure one legitimate industry in this country. That is a meritorious attitude on their part, and that is the most that the people of Quebec want. We want a country where people can live cheaply, a country to which people can come and realize that they have a glorious place to live in. Some years ago, when a boy from New England and a boy from Canada would meet, they would discuss matters with each other. One would say to the other, "What did you pay for your hat?" The other would tell him, and it would be shown in those days that everything was in favour of the boy residing in the United States. The result was that that boy would persuade his brother to leave Canada and go there. We believe that with our great water-powers and our great industries in Canada that we can keep this country a good place to live in and educate our boys; and that is what we wish to do. But if the poor man and his wife cannot have a little butter on their bread, they will complain. It took two sessions to stop the importation of oleomargarine, which was sold in Canada in competition with the farmer's butter. Some years ago a bill on this subject was presented to parliament by the Minister of Agriculture, and only seven Tory members supported it. Last year people came into my constituency and said the Australian treaty was going to destroy the farmers. Of course it was not the farmers they were particularly solicitous about; they wanted to destroy the Liberal party, and particularly myself. They went to a creamery in the community, operated by a man of intelligence, and they tried to scare him. I heard a swashbuckling legerdemain fellow telling the farmer, "You will never sell your cows in this country; you had better get out." The farmer said, "What is the matter?" The fellow said, "Oh, it is the Australian treaty." I said to him: "You are in the civil service and perhaps it would be as well for you to keep quiet. One thing sure is that you never earn your daily bread; you are a loafer, a parasite on the public. Now you are trying to scare the farmers to death as regards something that will not materialize." What was the result? This butter maker said to that Tory: "This government has done more for the farmer by repealing the Oleomargarine Act than all you can do or say, and no butter will come six or seven thousand miles and be six or seven weeks in coming here." What was the result? Butter has advanced in price from thirty-eight cents a pound, and you could not buy a pound of butter until ten days ago in this city for less than fifty cents.

The hon. member for Fort William said this afternoon: All you want to do is to stick to power. It is a pretty good thing to stick to what you have. We are sticking here and we will not surrender the reins for four or five years at least. You tell us that we are usurpers. What would you do if you were over here? You are in the minority; you could not get anywhere. There is no foundation for the insinuation that this country is going to the dogs when one considers the condition it was in when we came into power. You found the treasury full of money in 1911 when you won this country by misrepresentation and flag-flapping. Then you started to dismiss all the Liberals that were in office throughout the length and breadth of this great Canada of ours and you proceeded to frame an act for the outside civil service to entrench your appointees so that they could not be dismissed. You spent large sums of money in building armories which are used as places of amusement and dance halls, and this government has had to keep caretakers in them, keep them roofed and painted, and have them locked and unlocked when amusements are being carried on. In my constituency my opponent used them as great auditoriums when he had Patenaude out there and no crowd. Patenaude was supposed to be a spell-binder but he did not do the Conservative party any particular good. By the skin of his teeth he managed to get seats here for three or four or perhaps half a dozen of his followers.

Then you wanted to maintain militarism. I am against militarism. If we had 400,000 men overseas, they were disciplined over there for several years and no annual drill should be necessary in this country. It is a shame to call out for annual drill these old soldiers who were in the trenches and who know as much about war as Stonewall Jackson did, and no one else knew more about war than he did. I hope the hon. member for Southeast Grey (Miss Macphail) will be in the House when the militia estimates come up and will give us as good a speech as she gave last year. The world now wants peace. We do not want wars; we do not want to keep up a military

machine, and with those 400,000 men who received military discipline overseas, we should have no need for annual drill for the next two or three decades because those men are in this country already disciplined and will be ready in time of war. But I hope there will be no such thing as war. We have in this wonderful country to the south the Monroe doctrine. I know some of the military men will laugh when I say that doctrine will keep aggressors out of this country. Looking at a map the other day I felt it was not such a bad thing that the United States had a strip of land west of the Yukon and half the length of British Columbia. They would have to fight in order to keep off any Asiatics or anybody else who wanted to come over, and while I do not wish to hide behind anybody else's wings, I do not object to go through a turnstile because somebody else turns it. If this country is safe under the Monroe doctrine, it is as safe under that doctrine as under any other, but we do not want money spent in this country to keep up a military machine and nonsensical camouflage.

Perhaps in two months from now money will be appropriated for annual drill, although I hope not, and the farmers will be sent to Petawawa when they should be on the farms, when the crops need the most attention and the weeds grow fastest. I know a man who had several horses and he took his sons and his horses to the camp. When he returned home he found that potato bugs had eaten up $200 worth of potatoes and he got enough of his medicine in taking his horses up there to earn some money. If they want to drill, let them drill in October. In my time the drilling was done in October and the boys had to hustle in order to keep warm. Militarism, I repeat, is something we do not want.

As the hon. member for Fort William was speaking this afternoon I wondered if there was any love of country in Canada. I wondered if there were nothing here to make us patriots. I wondered if our rivers were not long enough, broad enough, deep enough, rough enough or placid enough, to make us love our country. I wondered if our broad prairies with all their fertility were not enough to make us realize that we have a great country in which we should live in happiness. I wondered if the lofty mountains were not high enough to make one visualize the greatness of this country. I wondered if all our great mineral wealth, our great lakes and our fisheries were not enough to make us love our country and be patriotic. I wondered if there was not enough in the great topography of this country, the vast extent of 4,000 miles east and west and nearly 2,000 miles north and south, to make us love it and not sit in this House and cavil and fight for the old parties. I wondered, if all these things could not make us love our country, if we had not better take a walk around this great structure which has risen from the ashes of the great devastation of the last House. We should be proud of this great structure and proud because we have in Canada the institutions that we have. When we walk around this great structure we should look at some of the monuments of our forefathers, the statesmen of this country who have built and built well, who travelled the stormy seas when it took six to eight weeks to cross the Atlantic, in order to break the family compact that was ruling Quebec and Ontario at one time. After we walk around this building and visualize the statesmen who hewed out the destiny of this country and laid the foundation and laid it well, we should have some love of country. It would indeed be surprising if anyone could fail to take an enthusiastic interest in the progress of this young and growing country after carefully studying its traditions and its institutions—our churches, our educational establishments, our philanthropic organizations of one kind or another, our great and ever expanding industry. There is in Canada everything that can inspire one to the loftiest patriotism, and if Canadians will only appreciate their great heritage there is no reason why, remaining within the British Empire, this country should not become one of the greatest nations on earth.

10 p.m.

As regards the budget, I gather from the headlines in the newspapers that gentlemen opposite intend to fight the thing to a finish until the dog days come. Let me assure the opposition that the people of Canada are absolutely in favour of the proposals of the Minister of Finance. Speaking for the thrifty people in the Eastern Townships from which I come, I can say that the income tax reductions have received a hearty welcome. Why should we not retain in Canada people who, being too old to continue in active work, have yet enough to retire upon? There is no sense in taxing such people and making it impossible for them to live in this country.

In connection with the reduction in the duties on automobiles, there is no doubt that the sentiment of the Canadian people is overwhelmingly in support of the government. I dislike the automobile probably as much as anybody else does, and I can quite understand the attitude of people in the country towards those who have made themselves wealthy out of this industry. They say, "We

can go across the line and buy an automobile for one-third less than we can get it in Canada. We can get gasoline in the United States for one-third less, and we can obtain all the necessary accessories at a third of the price we have to pay in this country. Under the circumstances, why should we be compelled to pay exorbitant prices merely in order to provide profits for the manufacturers?"

The complaints of the manufacturers are not sincere; they are just so much camouflage. Surely they do not need so much protection in view of the profits they have made. In the past decade it has not been an uncommon thing to read in the obituary notices names familiar to everyone as descriptive of certain types of car—the names of men who have died worth tens of millions of dollars. Has anyone any deep sympathy with these people? There appears in the Montreal Herald to-day a cartoon which is really appropriate to the present situation. There is a ponderous gentleman with a corporation of extraordinary proportions and beside him there is a figure supposed to represent the Minister of Finance who proposes to reduce his avoirdupois. I for one think that Henry Ford should be made to disgorge some of the wealth which he has accumulated through the oppressive measures that have been adopted by his organizations representing his business. I have known more than twenty men who have been ruined through acting as agents for the Ford corporation. These men sign contracts with the company and when cars are shipped and delivery is not taken, the agents are obliged to pay the demurrage. The only garage man I know of who is worth a lot of money has worked from sixteen to twenty hours a day and he has never signed any agreement with any company to sell cars. He finds people who, having mortgaged their homes or their farms to get cars, are unable to meet their payments, and he buys those cars for a fraction of what they were worth originally. He holds them for a little while and then disposes of them at a profit. Invariably the automobile organization is heartless. I do not say that Henry Ford is aware of everything that goes on, but certainly the organization that represent him have been a curse to the country. There are thousands of vacant farm houses in the United States and Canada, the owners having failed to pay for the cars after mortgaging their places to get them. The trouble with people nowadays is that they are not satisfied unless they can make a great display. Long ago the farmer never thought of selling his buggy because it was old; he got it repainted or revarnished. To-day, on the contrary, when a man's car becomes a little shabby he immediately disposes of it and gets something more pretentious.

I notice that the hon. member for Fort William, as well as the leader of the opposition, has left the chamber. These gentlemen probably suspected that I had something to say to them, and so cleared out. The hon. member who spoke for the Conservative party this afternoon indulged in a good deal of adverse criticism of the government. But what are the facts? When this government came into power our dollar was worth only eighty-three to eighty-five cents, whereas it has been at a premium practically half the time during the past eight months. This is due to the fact that as a result of proper administration the trade of the country has expanded. With the favoured nation agreements which we have entered into with certain countries, our export trade has advanced by leaps and bounds, and the country has every reason to be gratified. In view of this fact, the criticism of the hon. member for Fort William this afternoon came, I thought, with very poor grace. I do not want to make any speech of the boomerang type. The Australian boomerang is said to return to the one who throws it, and in like manner unfair criticism is apt to recoil upon the critic. I am bound to say, however, that it is a matter for great satisfaction to the government that no one has been able to point to any scandal during its administration. There has been no black sheep in the family on this side, and the government is possessed of brains enough to run the business of this country to the satisfaction of the people. The Liberal party has never been governed by the crack of the whip. We are free thinkers.

Some hon. MEMBERS. Oh, oh.

Mr. BALDWIN: That is right. That is the proper thing, so long as we think the administration of the country is what it should be. A party that servilely obeys the crack of its leader's whip is a party of slaves, and the Liberal party has never come within that category. Democracy will not tolerate it, and we will not tolerate it. For that reason, to-night I stand in defence of this budget. What has the merger done for Canada? The merger has gone out and bought up all the little factories, be they woollen mills, flour mills, iron foundries, or carriage factories, and amalgamated them into big organizations, but these have almost invariably failed because the merger did not take also the men of

genius who had founded and directed all those little local concerns throughout rural sections. That is the trouble with the merger of a lot of our industries. The merger fails because those behind it try to run the organization with a man in an office surrounded by a staff of stenographers.

Let our manufacturers wake up when they get up and they will find themselves able to withstand a lowering of the tariff. Indeed, they will be better fitted to carry on their business. One of the worst features of this country is that we are apeing the habits of the United States. I hope my hon. friends opposite will take their medicine hereafter, whether bitter or sweet, with a smile. Let us do the business of this parliament without unnecessary delay and get out of here at least in the month of June.

Mr. J. A. MESSERVY (Queens): Mr. Speaker, being a new member, I wish to congratulate you, sir, upon the high office to which both sides of this House have unanimously appointed you. You are courteous and kind, possess the best possible judgment, and are absolutely fair and impartial in your decisions.

I have, sir, the honour to represent Queens county in the province of Prince Edward Island. As my time has been entirely devoted to business I am unaccustomed to public speaking, but on behalf of the Conservative party I will endeavour to contribute what I can to the discussion of the various matters that enter into the public affairs of our country.

Let us look at the map of Canada, Mr. Speaker. Our country is divided by natural barriers into four parts. First, British Columbia, separated from the prairie provinces by the Rocky mountains. Second, the prairie provinces separated from the settled parts of Ontario by a large tract of rocky country in New Ontario. Third, the central provinces, nearly cut off from the Maritimes by the northern part of the state of Maine; and fourth, the Maritimes.

Now, Mr. Speaker, we may as well face the fact that there are certain difficulties in preserving the unity of all these parts, owing to long rail hauls through sparsely settled districts. The tendency, apart from nationalistic considerations, as has often been pointed out before, would be for each of these parts to trade with that portion of the United States directly south of it. And if we are to preserve Canada as a nation this tendency must be combated. It is no use complaining for instance, of railway deficits. We must of course run our National railway as economically as possible; but in doing this all services should be adjusted with the consideration first and foremost in our minds that Canadian ports, Canadian farms and Canadian industries are not to be suffered to languish, sicken and die, simply because, in the view of some shortsighted people, it is more economical to make use of United States ports, farm products or industries.

The unity of Canada is very ill served by starving one part into a state of discontent for paltry economic reasons. And, sir, this is the state of the Maritimes. In contrast with other parts of this Dominion they are actually losing in population. In view of this, it is nothing less than a disgrace that in winter and summer our grain is being shipped through Portland and other United States ports instead of through Halifax and St. John. Furthermore, there is need of considerable adjustment in the rates on coal between the Nova Scotia coal fields and central Canada. And we in Prince Edward Island would like to find a market for our potatoes in Ontario and Quebec. As it is, most of them go south even in the face of considerable duty.

Now, Mr. Speaker, I will consider in further detail these matters and other matters vitally affecting our welfare. I am much interested in the question of Maritime rights and stand shoulder to shoulder with my Maritime friends in advocating the rights of Nova Scotia, New Brunswick and Prince Edward Island. The three have a combined area of less than 52,000 square miles and a population of about one million people. We have one forty-fifth of the area and one-ninth of the population of all Canada. We average twenty persons to the square mile, while the average of the other six provinces combined is four persons to the square mile. So, Sir, you can see that the Maritime provinces are an important unit in the Canadian confederation. The building up of a still greater Canada depends in a large measure on the development of the Maritime ports for commercial purposes.

Halifax has the best port in North America, and during the war it was used extensively for the moving of troops and exporting of foodstuffs to England. It has splendid docking facilities and a large grain elevator. It is a crime to pass this port for the shipping of grain for any port in the United States. It is the duty of the government to make it possible for shippers to use this port without loss to themselves. It is contended that the distance to Halifax is greater than to Portland, and other United States ports, and that freights are higher to Liverpool via Halifax than via United States ports. The Maritimes

claim it as a right that all Canada should help to lighten this burden for the building up of an all-Canadian trade as well as to increase the prosperity of the Maritimes.

We have a splendid graded road of railway built on Canadian soil. The Canadian Pacific Railway and the Canadian National Railways have each a fleet of up-to-date steamers at their disposal. There is no valid reason why Halifax should not with St. John have a large wheat trade with Great Britain during the winter and summer.

Another matter that the Nova Scotia members should strive for is the making of Halifax a port of call for the largest and fastest steamers afloat, such as the Olympic and Mauretania, sailing between England and New York, and have them land, both on their inward and their outward voyages, passengers and mails during the winter and summer.

St. John is another port of great value to Canada. This port has the Canadian Pacific steamers calling during the winter months, and all the influence of the board of trade, the local government and city council, together with any other influence they can bring to bear, along with the influence of their members at Ottawa, should be used to get for the port of St. John her fair share of business. If the United States shipments of wheat were shut out, there would be sufficient quantities both in winter and summer to keep these ports busy as well as Montreal.

The coal company in Cape Breton is depending on increased sale of their coal in the provinces of Quebec and Ontario. Mr. Speaker, I wish to call the attention of this House to the immediate necessity of the coal company erecting coal plants at Montreal, Toronto, Windsor, Fort William and other centres for the storage of coal, the installing of coke ovens, and, if necessary, the manufacture of by-products from the coal. During the summer months the coal company can rush large steamer cargoes of coal to Montreal. Smaller steamers and barges can carry cargoes of coal from Montreal as far west as Fort William. Large quantities of coal can be stored by the aid of cheap water rates, which will enable the coal company to compete and perhaps undersell the American companies to the manufacturing concerns in Canada, while the coke can be used for household purposes in Ontario and Quebec. To do this business, the coal company must have live, pushing, determined agents, and in this way I feel sure immense quantities of coal can be disposed of.

I would also urge, in connection with the operation of the West India treaty, the erection of a canning and preserving plant in the Maritime provinces, because the West Indies require large quantities of canned goods, such as fish, peas, beans, potatoes, in fact, all kinds of vegetables, as well as fruit, berries, meats, soups, condensed milk and all kinds of poultry, also pickles. The farmers and fishermen of Prince Edward Island would benefit from the establishment of such a plant for they could ship to it large quantities of vegetables and fruit. It would in that way open up a new avenue of trade for us and be a great boon to our Maritime provinces.

At the time when Prince Edward Island entered confederation in 1873, we borrowed from the Dominion government $3,400,000 to pay for the railway which we had built. Adding interest at five per cent to this amount brings the total cost of this railway to date to $5,610,000. I do not think that any other province has had to pay for its railway accommodation in this manner. All have been provided for out of the general fund, and it is evident that we are entitled to be reimbursed for this $5,610,000. As one representative of the province of Prince Edward Island, I ask the government and parliament now for a refund of this amount, and I feel sure that the justice of our claim will be recognized.

The exodus from Prince Edward Island during the past three decades has reduced its population by upwards of twenty thousand people. Many of the youth of the island have left their native province to locate in western Canada and the United States. Those who go to western Canada are assisting in building up our great Dominion, and we offer no regrets for their loss, but when they leave us to locate under a foreign flag we feel the loss keenly.

We also want another car ferry steamer, and it should be an oil burner. Forty years ago, and previously, all our imports and exports had to be handled within the six months of comparatively mild weather. This was a necessity which business well understood and accommodated itself to. For a period of thirty years we had a winter service by means of ice breaking steamers running between Georgetown and Pictou, whereby not only mails and passengers, but a certain amount of freight, were transported, and during the latter twenty years of this period there were two winter steamers on this route.

With the advent of the car ferry service at the Capes, the whole export and import trade of the island has taken on a radical change. The import trade is now carried on in the winter pretty much as in the summer. The retail merchants and coal dealers no longer

find it necessary to lay in, in the summer and autumn, goods and supplies sufficient to do them till the following spring, for the car ferry steamer is kept busy all winter for almost six months in carrying the imports required for the business of the province. No coal or such kind of goods was ever imported on the winter steamers between Pictou and Georgetown. The export trade has also largely increased during the winter months, and will doubtless continue to increase with the coming years. The present service is of great advantage not only to business men, but to the farmers. While it enables the merchants to stock up with goods only as they require them, it also makes it possible for the farmers to export in the winter with almost as great a facility as in the summer. In this way both are benefited, the merchant in having less interest to pay than when he had to carry six months' supplies in goods, with the added advantage of being able to keep his store trim and attractive with supplies of fresh goods as needed, and the farmer in being able to sell his products in a strong market, thus the better enabling him not only to pay his bills to the merchant, but to buy more goods at his store. This is a state of things I wish to see continued, and not broken in upon by any want of attention on the part of this Parliament.

At present there is only one steamer available for service at the Capes. It is twelve years since she was built. Twelve years service has demonstrated improvements in construction which can be made in the building of a new steamer. The continuous and persistent fighting for years of heavy ice between the Capes must have done much to weaken and impair the present boat. If by any misfortune anything should happen to disable her during the winter season from performing the service for a fortnight, or even for a week the dislocation of business and the consequent loss, damage and inconvenience to a whole province would be difficult to estimate. Not only so, but to a people so dependent on imported coal it would entail great suffering, and it is therefore well to look ahead and take means to ensure against such a calamity.

Prince Edward Island is one of the most beautiful places in the world during the summer time. We have a splendid climate and lovely pastoral scenery. Once a tourist comes to Prince Edward Island he wants to come again, that is, if he is not scared away by the difficulties and discomforts of the trip. If he comes by train he must leave his Pullman car at Sackville, change trains there, change again to get on the ship and again on leaving her. Now all this is very inconvenient and unpleasant, especially for women with much luggage and possibly young children. In summer at least we are entitled to a through sleeping car operated from Boston or Montreal to Charlottetown, and the day coaches also should be taken over in the steamer, but as it seems that the steamer cannot handle these cars and at the same time bring over all the freight, this cannot be done at present. Our people are greatly interested in the great benefit to be derived from the cultivation and expansion of the tourist trade, and we have made substantial outlay in connection therewith. There is much in the construction and equipment of the present boat, and in the rail approaches thereto, to annoy and hamper that trade. Every motor car that goes to and from the island has to be loaded on a flat railway car and then hauled into the boat by means of an engine. If the driver of an automobile wishes to cross he must be at the station at Borden or Tormentine at least half an hour before the boat sails, and when he crosses he is kept in the boat usually for another half hour before the car can be hauled out in the same manner in which it came in. These restrictions are very annoying, and call for redress. A new boat so constructed as to permit autos to be driven by their own power on and off the vessel would be a great convenience, and would contribute powerfully to the success of the efforts of those of our people who are labouring so faithfully to interest tourists in our splendid climate, our charming scenery and our unsurpassed sea bathing. With great confidence I ask the government to place a sum in the supplementary estimates for the building of a new boat, which the other representative for Queens (Mr. Jenkins) has also asked for. Such a vessel is certainly needed. Furthermore, as all hon. members well know, it will provide efficient communication between the island and the mainland, which is one of the terms of union on which Prince Edward Island entered the Canadian confederation.

Now, as to the products of Prince Edward Island. Last year the "million acre farm" yielded well, and the province fully maintained its reputation in the matter of farm products owing to the very large export of potatoes, including not only the seed stock, for which we are becoming justly famed abroad, but also tubers for the table. It is estimated that about 1,500,000 bushels, valued at $1,875,000, were shipped, including 350,000 bushels shipped through the Potato Growers' Association. The railroad had all it could do to handle

the immense crop. A large number of shipments were also made from Charlottetown by steamer. Fortunately the mild weather prevented any damage being done by frost. I have here a statement furnished by the Department of Agriculture which will be of interest as showing the acreage, yield and prices of the island's principal field crops. I will not take up time by reading the statement but with the permission of the House I should like to have it placed on Hansard. The statement is as follows:

Agricultural Products

—	Acreage	Yield	Price Bush.	Value
			$ cts.	$ cts.
Wheat	30,835	641,000 bush.	1 50	961,500 00
Oats	168,727	5,771,000 bush.	0 45	2,596,950 00
Barley	4,663	136,000 bush.	0 90	122,400 00
Buckwheat	2,496	68,000 bush.	1 00	68,000 00
Mixed grains	22,497	934,000 bush.	0 60	560,400 00
Potatoes	34,101	5,967,675 bush.	1 25	7,459,593 75
Turnips	9,692	5,815,200 bush.	0 15	872,280 00
Hay and clover	249,423	374,134 tons.	10 00	3,741,340 00
Total				16,382,463 75

Dairy Products and Eggs

			$ cts.
Cheese	2,000,000 lbs.	21c. lb.	420,000 00
Butter	1,800,000 lbs.	39c. lb.	702,000 00
Eggs	4,000,000 doz.	28c. doz.	1,250,000 00
Total			2,642,000 00

The above figures show that the total value of field crops, dairy products and eggs was $19,024,463.75. It was a good year for dairying, and a gratifying feature was the improvement in quality of the output, due in a large measure to the carrying out of grading regulations. The export of animals and animal products was also large, and the prices were higher than the previous year.

The value of the harvest of the sea was nearly $400,000 greater than that of 1924, as shown by a statement furnished by Fisheries Inspector Gallant. I should like this statement also to go on Hansard. It is as follows:

Quantity and Value of Fish caught in the Province of Prince Edward Island for the Year 1925

Kinds of Fish	Quantity	Value
		$
Smelts	12,771 cwt.	114,939
Oysters	5,250 bbl.	52,250
Herring	51,506 cwt.	77,259
Mackerel	6,052 cwt.	24,808
Cod	58,445 cwt.	116,890
Hake and cusk	14,681 cwt.	22,021
Haddock	968 cwt.	1,936
Clams	1,531 bbl.	1,531
Eels	40 cwt.	320
Tom cod	1,202 cwt.	3,606
Salmon	90 cwt.	1,800
Alewives	84 cwt.	168
Caplin	37 bbl.	81
Albacore	975 cwt.	4,875
Lobsters	34,145 cas.	953,756
Lobsters (in shell)	16,573 cwt.	189,742
Total value		1,518,982

An industry that we pride ourselves upon, and one which was started in Prince Edward Island, is the silver fox industry. Now, if we send a pelt to the United States we are charged a duty of 50 per cent, which means in the case of a pelt worth $300 a duty of $150. The United States are also engaged in breeding foxes, but while they charge us a duty of 50 per cent they send pelts into our Canadian markets duty free. The inevitable result will be that they will surely capture those markets from us unless proper safeguards are adopted in Canada. At the Royal Winter Fair in Toronto foxes from Prince Edward Island, as usual, carried off all the prizes.

Now I come to deal with the question of freight rates. A great deal has been said about the unfair division of freight rates. I will give an illustration of how that works out. Oats and potatoes are among the chief articles raised in Prince Edward Island. If a shipper sends a carload of oats from Fort William to Sydney, a distance of 1,876 miles, he pays a freight rate of 62 cents per 100 pounds. To ship a carload of oats from Fort William to Halifax, a distance of 1,723 miles, costs 57 cents per 100 pounds. On the other hand the freight rate from Tignish, the most westerly point of Prince Edward Island, to Sydney, a distance of 436 miles, is 36½ cents per 100 pounds; and from Tignish to Halifax, a distance of 294 miles, the freight rate is 30

cents per 100 pounds. As to export rates, the following will serve as an illustration: A shipper at Fort William sending products to Halifax intended for Newfoundland, the West Indies or Great Britain, enjoys a rate of 34 cents per 100 pounds. On the other hand on a shipment from Tignish to Halifax a freight rate of 30 cents per 100 pounds is charged, a notable discrimination in favour of the Fort William shipper.

The House can see the disadvantage under which Prince Edward Island labours. It will be apparent to any person how unfairly we are treated. This freight rate question must be settled on a more satisfactory basis if the Maritime provinces are to receive that measure of fair play to which they are justly entitled. I may point out that at the annual meeting of the Charlottetown Board of Trade it was stated that after much agitation throughout the Maritime provinces on this matter, Mr. S. C. Cornell had been engaged by the three lower provinces to investigate freight rates and questions relating to Maritime interests. This gentleman has already unearthed a good many difficulties which militate against Maritime prosperity. For example, the discovery was made very recently of a freight charge on potatoes extending a more favourable charge to southwestern Ontario than to Prince Edward Island. A submission has been made in this regard which has resulted in a partial remedy of the trouble. I am not going to enter into figures, because figures cannot be retained in the mind and they are subject to change from day to day. Let me impress upon the House, however, that the question of freight rates is a vital one in the province from which I come.

Dealing with the question of transportation, the Charlottetown Board of Trade enumerates the following amongst the needs of Prince Edward Island:

1. The need of a second car ferry.
2. The need of a longer continuation of the double mail and passenger service from and to the mainland.
3. The need of a better local passenger service.
4. The need of more railway yard room to handle the increasing export freight, at the time of the heavy movement of crops in the autumn.
5. The need of a safe deep water terminus with better frost proof warehouse accommodation.
6. The need of complete widening of the gauge of the railway of Price Edward Island.
7. An improvement in the accommodation for transfer at Borden and Tormentine.

It is the conviction of many members of the board in question, particularly those who have been actively engaged on the time table and transportation committees, that the lately perfected Diesel electric passenger coaches would go a long way towards solving our local passenger difficulties. It would seem to be obvious that so long as much of our local service is given by mixed freight and passenger trains, no really satisfactory service can be looked for. The introduction of Diesel electric cars would make it possible to separate freight and passenger trains and for each to give better service.

Although I am opposed to the government yet I must say that the establishment of a disease-free area in Prince Edward Island has met with general approval, and will no doubt accomplish much good. It is estimated that we have about 100,000 cattle in Prince Edward Island. About 55,000 of these are milkers; the others are young and beef cattle. Naturally in view of the favourable condition in which we are now placed these figures will tend to show an increase in the years immediately to come. We are proud that in this matter, as in several others, our province leads the rest of the Dominion in having become throughout its entire extent a disease-free area. The result of this splendid movement has been, of course, to promote a greatly increased demand for cattle from this area, a demand which we are not yet able to meet. It is hoped that within a reasonable time our people will be able to realize on this demand and thus establish another permanent and splendid market for our products.

While referring to some of the many matters which are of particular interest to our people, and which I feel it my duty to place before this House, I would like to point out that some months ago an American syndicate commenced experimenting by boring for oil on Governor's Island, situated a short distance from the mouth of the harbour leading into Charlottetown. The borings on that island, which is about one mile long and three quarters wide, have reached a depth of about 1,300 feet or more. Already there has been an outlay of about $250,000 and it is estimated that a total of $300,000 will be expended. This provides employment for labour. It is quite a novelty in our province; and should the promoters strike oil there is no telling what a vast benefit there will be not only to Prince Edward Island but to the Maritimes provinces generally.

It will be of vital importance to the farming and fishing industry of Prince Edward Island, if one of our government merchant marines freight steamers with cold storage accommodation should make Charlottetown a port of call on the way to Great Britain. A splendid business could be worked up with sheep,

cattle, butter, cheese, eggs, hay, oats, lobsters, bacon and live hogs for the British market. The steamers now pass outside of Prince Edward Island; by going around the west end of the island to Charlottetown they would not be more than thirty miles out of the course that they take to Great Britain.

I would also request that merchants be not asked to guarantee space, but that it be advertised that a steamer will call at this port for Great Britain, say every two weeks going and coming. Our merchants can then send their travellers through the British Isles and work up business. At first one steamer could go to Liverpool, the next trip could be to Glasgow and the next to London, which would give them the choice of these three large markets, Manchester might be one of the ports, which is a very large market. This service would be of immense value for the farmers of Prince Edward Island, as they cannot compete now with the railway freight rates by sending their goods to Halifax, St. John or Montreal for shipment to Great Britain. Charlottetown is the capital of the province, and is entitled to this direct service. With the steamship service to Pictou, Nova Scotia, Magdalen Islands, Newfoundland, Sydney and Halifax, and with a direct steamer for Great Britain and the West Indies, Charlottetown will become quite an important port.

The bringing of steamers to Charlottetown would enable our longshoremen, labourers and truckmen to find work, and they want it badly. We have a splendid body of men forming our longshoremen's associations or unions. They work night and day, rain or shine, and deserve every encouragement. There is a steamship line now operating between Charlottetown and Pictou, and this gives a very valuable connection between Prince Edward Island and Nova Scotia. Large amounts of freight have been moved by this line. We also have another steamship coming from Pictou, calling at Charlottetown, Souris and the Magdalen Islands, and this service is an excellent one, I think the best that has ever been provided. A first class steamer is on this route and makes regular trips during the summer months. We would like another steamship connection between Gaspe, Charlottetown, Summerside, Souris, Magdalen Islands and the Sydneys. This would be a very valuable connection to us because the steamer could bring coal on her return trip landing either at Magdalen Islands, Charlottetown, Summerside or Gaspe. I think a very profitable business could be worked up, and I would especially call Mr. Speaker's attention to this new service because he represents Gaspe and Magdalen Islands,.

I wish to mention some improvements that I would suggest in connection with the railway on Prince Edward Island. The Diesel electric line should be built, starting from Charlottetown, connecting with Tracadie, running along the shore to Brackley Beach, thence to Rustico, thence to Malpecque and into Kensington, connecting with the main line there. This would give splendid accommodation to our farmers at the outlying districts, and be of immense value to our fishermen at Rustico and all along the north side of the island—and I must point out to you that Rustico is one of the most valuable fishing grounds in Prince Edward Island. It would assist our fishermen to ship their fish by express quickly to the large cities, and would help them to build up this industry. A railway running along the shores of Richmond Bay between Malpecque and Kensington would tap immensely rich deposits of the finest mussel mud, which is a splendid fertilizer and is always in great demand among our farmers. There would be a splendid freight traffic over this line and worked, as it would be, by the Diesel electric locomotives, the operating cost would be very small. The line could be further extended along the south shore of the island from Borden to Charlottetown, thus supplying the farmers in this district with excellent fertilizer and bringing a valuable freight traffic as well.

I would strongly urge that the new railway shops that it is proposed to build at Charlottetown should be larger than the present ones. We want to do more repair work on the cars—painting, woodwork, mechanical repairs and the like; we want more men employed there and fewer cars sent over to Moncton to be repaired. This work can be done as well as, if not better, at Charlottetown than anywhere else. We have the very best workmen there. In 1921 some of the Liberal candidates on the hustings promised that the railway shops would become a beehive of industry and would assist labour of all kinds, but the reverse has taken place. Our men have been discharged and work has been curtailed.

We also want our superintendent to have greater authority in purchasing and matters of that kind, and to be given full powers in every respect regarding the operation of the line from Sackville throughout the whole of Prince Edward Island. He has splendid ability and can do this as well as anyone. Moncton has entirely too much to say in the management of our Prince Edward Island railway.

I wish to urge the necessity of more yard room for docking and shipping facilities at the

railway wharf in Charlottetown, and the enlargement of the frost-proof warehouse there; it is entirely too small. I understand the wharf has been condemned; steps should be taken at once to have it repaired. The road bed from Charlottetown to Souris and Georgetown, I understand, is ready for the widening of the gauge and this should be done the first thing in the spring, as our people are clamouring for the completion of the wide gauge railway on Prince Edward Island. Another important branch should have the gauge widened, namely, from Charlottetown to Murray Harbour. The present line goes through a splendid settlement, and it is only a narrow gauge railway.

In speaking of frost-proof warehouse accommodation at Charlottetown I would also recommend that you put a frost-proof warehouse at Souris, Georgetown, Borden and Summerside for this reason: in winter time, during the month of January, the whole of February and part of March, snow storms block the country roads and our railways for days, keeping our farmers from hauling their potatoes, especially in frosty weather. In the fall when they are taking potatoes from the ground they can store them in these frost-proof warehouses, so that refrigerator or heated cars can be despatched during the winter mouths. The price obtained would then give splendid profit, thereby benefiting the people of Prince Edward Island and furnishing freight for the road when times are dull. I would earnestly urge upon the railway authorities to have the road bed well ballasted all over the island railway.

Our fishing industry is good. We have taken out of the waters this year about $1,500,000 worth, and we could quite easily make it $5,000,000 worth. We must remember that the people on the south side of Nova Scotia living near Lunenburg and La Have operate in fishing schooners in the spring of the year around our island, and then later on the Grand Banks. We can do the same. We could get together a fleet of vessels, place our products on the markets of the Mediterranean and South America, and work up a splendid business. An increase of our fishing operations would be of immense value to Prince Edward Island, giving employment to every kind of labour in connection with the building and fitting of vessels, and the curing and shipping of fish.

It is necessary, in order that all the available ports in Prince Edward Island, may be utilized, to keep the harbours and rivers on the north and south shores of the island well dredged. The water accommodation thus provided would give lower freight rates for the shipment of produce and the receiving of coal and lumber, our small vessels being enabled to enter and leave these harbours and rivers without grounding. Small harbours can also be dredged for fishing boats so as to allow our fishermen to prosecute the fishing industry more successfully. I would urge the Public Works department to place one dredge on the north side and the other on the south side of the island so that this work can be done quickly.

I plead for lower freight rates for merchants along the line of railway who have to ship by cars all the year round from the several stations. Our ports are well located and we cannot complain about the water freight rates in summer, but for about five months of the year Prince Edward Island has very serious ground for complaint as to the high railway freight rates that prevail in the winter months, when we must ship and receive all goods by rail.

The United States tariff, in my opinion, operates against the farmers of Prince Edward Island. This has been fully discussed, and I need not say very much about it now. The following statement will show the comparative rates of duty on certain articles between the United States and Canada:

Articles	To the U.S. from Canada	To Canada from the U.S.
Eggs	8c. per doz.	3c. per doz.
Butter	12c. per lb.	4c. per lb.
Cheese	5c. per lb.	3c. per lb.
Wool	100%	27½%
Wheat	42c. per bush.	12c. per bush.
Flour in bbls	$2.04 per bbl.	50c. per bbl.
Potatoes	50c. per 100 lbs.	35c. per 100 lbs.
Hay	$4 per ton	$2 per ton
Fox pelts	50%	Free

I do hope that all hon. members on both sides of the House of Commons will treat the matter in a non-partisan light and charge the United States the same duties on the same kind of articles, especially farm products, as they exact from us. Is not this fair and equitable treatment from every angle and every point of view that you may argue?

I quote the following just to show the quick action of Canada in 1872. In 1872 Sir Francis Hincks, Minister of Finance in Canada, took off the 10 per cent duty on tea imported into Canada. In the same year the United States people put on a duty of 10 per cent on tea that was imported from countries west of the cape of Good Hope, and this 10 per cent special tea tax was charged on all tea exported by the way of Canada to the United

States. Sir Francis Hincks immediately passed an act in the same session imposing a duty of 10 per cent on all tea coming from the United States. This act preserved to Canada its own tea trade and we enjoyed all its advantages. I understand that at the time the duty was fixed on eggs at three cents per dozen, the average price of eggs was fifteen cents per dozen which tax was figured at twenty per cent. But now that the price of eggs is forty cents per dozen, twenty per cent duty would be eight cents per dozen, which would be the same as the United States is charging us.

The West India treaty will be a good one for Canada and it should be given a fair trial. I have visited most of these islands several times and I know some of their requirements. The Maritime provinces should benefit by this treaty, especially Prince Edward Island, as many of our farm products and fish are wanted there. I want to impress upon the government the great necessity of having a steamer with cold storage accommodation call at Charlottetown going and coming from Montreal. There is a good market here for molasses from the West Indies, and we can give this steamer all kinds of produce: oats, potatoes, eggs, butter, cheese, cattle, horses and fish for the West Indies and Cuban market. Without the calling of this direct steamer the markets will be of very little use to us because railway freights are so high to Halifax, St. John and Montreal.

We all know that raw material is practically the advertisement for our vast Dominion to immigrants from abroad. An immense supply of timber, pulpwood, nickel, asbestos, minerals and such like draws the people here. We do not want our raw material to be shipped out of this Dominion, we want it here, and manufactured here. We want to feed the workers in the factories from the farms. Our raw material is a guarantee for our debt and bonds which we have afloat and so on no account should it be allowed to leave this country. It may take a little time for us to give sufficient notice to people who have been trading in raw material with the United States, but the only true way to save Canada and help to pay off her debt is to prohibit the export of our raw material and manufacture it here. Let United States people who wish to make use of our raw materials in manufacturing come over here, and employ our Canadiain workmen in their factories in Canada instead of manufacturing our raw material in the United States.

I remember in 1897 being in Great Britain, and to show hon. members how anxious the Canadian Pacific railway was in soliciting immigrants for Canada, I was met in Bristol, London and Liverpool and presented with advertising matter regarding Canada: "One of the greatest countries in the world; all it needed was men. Are you going there?" I told them I was living in Canada. I remember I was canvassed publicly in that way on the streets. We should be determined at all times to have our agents in Great Britain, France, Norway. Sweden, Holland and Denmark do this persistent kind of canvassing. We will never succeed unless we push it quickly and firmly; quick action is necessary. Certainly our own Canadian people are the best, and every effort should be made to keep them at home because they are educated to our conditions; next to them come immigrants from the British Isles and France, then the Danes, Hollanders, Swedes and Norwegians. We rely upon the fairness and justice of our immigration agent in Great Britain to send us our fair share of immigrants, farmers, fishermen and capitalists, suitable to Prince Edward Island.

With regard to protection as an aid to Canadian farmers, I will quote in part what President Coolidge says about protection as an aid to the United States farmers:

> Protection is a great benefit to agriculture as a whole. The $780,000,000 of agricultural produce imported last year had to pay $260,000,000 for the privilege of coming in to compete with our own farm production. Protection greatly aids diversification and so eliminates an unprofitable surplus. Any study of dairy products, flax, wool and many other commodities will demonstrate that it does.
>
> In aiding industry the present tariff helps agriculture because prosperity in our industries is of more value to the farmer than the whole export market for food stuffs.

I strongly support the policy of protection for farmers, manufacturers, merchants and fishermen. This was the clear-cut policy inaugurated in 1878 by Sir John A. Macdonald, and the principle remains the same. If we wish this great Canada of ours to be powerful and to get the large population she should have, we must adhere strictly to the policy of protection. Protection will bring immigrants to our shores and it will increase labour and instil confidence in our manufacturers.

We have many returned soldiers in Prince Edward Island and I wish now to speak for these as well as for the veterans in all parts of Canada. I ask hon. gentlemen to remember that while these men, our fellow Canadians, were suffering, bleeding, dying in the muddy fields of France and Flanders, the rest of us at home here were turning over inflated dividends or making big wages in war work, and every now and then we read of some veteran, too proud to beg and unable to

get work. who has decided to end it all by putting a bullet through his head! A charming spectacle this, is it not? We will not employ battle-scarred veterans because they are lazy and dissolute; our Board of Pension Commissioners sees to it that no man gets more than can be helped. What a praiseworthy example of economy in the public service! What, think you, would be your annual tribute to Germany to-day if these men had not won the war for us? A little more, I venture to say, than those pensions meted out with the greatest precaution taken to see that every hero gets not a cent more than is coming to him.

Such practice in dealing with our returned soldiers should come to an end; in fact it never should have existed at all. If a man has been taken on the strength of a unit and served overseas, and it is found on discharge that through illness or incapacity his earning power is diminished, he should be in receipt of a pension. Furthermore, it is up to every employer to give returned men the preference every time and, if necessary, legislation should be put into effect to make sure that every returned veteran has employment suited to his ability.

As for the "shiftlessness" and "drunkenness" of some of these men who have fought and bled for us there are few indeed who have come through four years of hell without scars of the spirit as well as of the body. I demand then, Sir, in the name of those who have fought and bled, in the name of those who have fallen, and in the name of the honour and decency of this Dominion, that no returned soldier, his wife or his family shall ever hereafter be allowed on any pretext whatever to want for food, clothes or home, or any of the common necessities or decencies of life.

In concluding, then, I wish first to appeal to our hon. friends from the great west sitting on this side of the House with us. Their honesty and integrity are unquestioned by all, and I am sure that all their actions here are guided by the larger interest of Canada, as they see it. To these hon. gentlemen I would submit that we do not come from Prince Edward Island, the little sister of the Dominion, and from the other provinces by the sea, as beggars imploring favours, but as equals asking for our rights. I am sure the hon. gentlemen from the other provinces see that we in the Maritimes could, from the nature of the case, have no share in the apportionment of the crown lands and territories. These Sir, rich as they are in farm lands, lumber, pulpwood and minerals, are part of our heritage as well as theirs. Can they then grudge us the help we so sorely need? I feel sure they will not. And I appeal secondly to the hon. gentlemen opposite me, especially to our friends from Quebec. They have always stood out solidly for a vigorous Canadian nationalism. They know, Sir, that hurt to one of its members is an injury to the whole body. I am sure they would not wish to see the whole fabric of our country damaged by the neglect and starvation of its Maritime members. We depend upon the support and help of hon. members of the House of Commons.

I thank you, Mr. Speaker, for your kind, courteous and considerate attention.

[Mr. Messervy.]

On motion of Mr. Marcil the debate was adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. Mackenzie King moved the adjournment of the House.

Sir GEORGE PERLEY: In view of recent rumours in the press, may I ask whether any changes will be announced to-morrow in the budget proposals?

Mr. MACKENZIE KING: That question is somewhat similar to one asked by the leader of the opposition (Mr. Meighen) last night. I am not aware of any changes, and I do not understand why the question should be asked.

Motion agreed to and the House adjourned at 11.05 p.m.

Wednesday, April 21, 1926.

The House met at three o'clock.

REPORT OF COMMITTEE

First report of the select standing committee on Industrial and International Relations.—Mr. McIntosh.

COMMITTEE ON AGRICULTURE

MOTION FOR RESCINDING CONCURRENCE IN FIRST REPORT

Mr. J. E. ARMSTRONG (East Lambton): Mr. Speaker, before the order of motions is disposed of, I beg to move:

That the resolution of the House carried on Tuesday, April 13, concurring in the first report of the select standing committee on Agriculture, be rescinded.

My reason for asking that this resolution be rescinded is simply that the report does not contain a correct copy of the proceedings be-

fore that committee. First I will read the resolution as presented to the House:

Mr. Kay, from the select standing committee on Agriculture and Colonization, presented the first report of the said committee, which is as follows:—

Your committee recommends that it be authorized to have its proceedings and such evidence as may be taken, printed from day to day for the use of the members of the committee and of the House, and that rule 74 as relating thereto be suspended.

Now what actually occurred in that committee I shall show by reading to the House from the proceedings of the committee as they appear on the records of the clerk of the committee, Mr. A. A. Fraser. Here is a copy of the motion taken from the proceedings of the committee on Agriculture and Colonization at its meeting on April 14, 1926:

On motion of Mr. Armstrong, seconded by Mr. Letellier, the chairman was instructed to report to the House recommending that the committee be authorized to have its proceedings and evidence printed from day to day, and also to have printed such addresses by government officials as may be presented and as it selects.

That, Mr. Speaker, is a very different statement from that which appears in the report that was accepted by this House. I need hardly say that we have had two meetings of that committee. The Deputy Minister of Agriculture attended the first meeting of the committee and spoke for about two hours, giving an address that should receive the widest possible publicity. At the next meeting of the committee, Mr. Archibald, director of experimental farms, gave a most excellent address, covering a period of nearly two hours, in which he dealt with matters pertaining to the different experimental farms and illustration stations throughout the country. Surely copies of these addresses should be available not only to the members of this House but for general distribution as well. That is my reason for asking that the resolution be rescinded and represented in the form in which it passed the committee.

W. F. KAY (Brome-Missisquoi): I think that my hon. friend the member for East Lambton has followed the wrong procedure in the motion which he has presented to-day. Had he done me the ordinary courtesy of speaking to me privately and telling me his troubles I think the matter could have been arranged most satisfactorily. However, I will make a statement of the circumstances touching this matter.

The motion which my hon. friend made in the committee on Agriculture and Colonization was not presented in writing as it should have been. The hon. gentleman moved a motion at the end of our meeting and the clerk of the committee took it down. I think the report which I presented to the House contains the gist of that motion which was a very short one. The motion, as far as I remember its tenor, was that I should be instructed to make a report to the House requesting that the committee should be empowered to have its proceedings printed from day to day for the use of members. The report presented to the House was drafted by the chief clerk of committees and he thought, after consulting with me as to what my hon. friend desired, that it would cover the hon. gentleman's idea. As chairman of the committee, my desire is to present a report which shall embody the substance of any motion which is passed by the committee. The report in question was presented on the 9th April and concurred in on the 13th. It gives the committee power to decide what number of copies of the addresses made before it shall be printed. That is, the committee can decide at the end of a meeting whether it wants 500, or 1,000 or 10,000 copies printed. There is no limit contained in the recommendation. I think the hon. member for East Lambton, in the few words he uttered at the last meeting of the committee, stated that 10,000 copies should be printed. Another member suggested 100,000 copies, and a third very enthusiastic member suggested that the number of copies printed should be a million. There is no question but that the addresses delivered before the committee so far have been very interesting and very instructive to members of the committee and the House alike. One was an address by Dr. Grisdale, describing in brief form the work of the Department of Agriculture, and the other was an address by Mr. E. S. Archibald dealing with the activities of the experimental farm system. Now, I submit to the House that while these addresses are very valuable to the members of the committee, they are not such as should be printed and distributed throughout the country to the extent of 100,000 or a million copies. The Department of Agriculture issues a number of concise and illustrative pamphlets which in reality contain all the information to be found in these addresses. I am not sure from what my hon. friend from East Lambton has said to-day what he really wishes to be done. He has moved that the report of the committee which was concurred in be rescinded. I submit that he can achieve the result which he desires by making a motion at the next meeting of the committee that 10,000, or 100,000 or 1,000,000 copies be printed. That could be done and would be in perfect conformity with the report in which

the House has concurred. I may say that since the report was adopted by the House the committee on Agriculture has met once and my hon. friend made no motion on that occasion. I submit that the proper procedure for him to have followed was to have made a motion at the last meeting of the committee—

Mr. ARMSTRONG (Lambton): I did.

Mr. KAY: —asking for the printing of whatever number of copies he desired. I submit that the motion presented by my hon. friend be not accepted, and that at the next meeting of the committee on Agriculture the hon. member should make such suggestion as he sees fit.

Mr. ARMSTRONG (Lambton): I have no desire—

Mr. SPEAKER: Order. If other hon. members wish to speak now is the appropriate time because the hon. member for East Lambton will close the debate.

Hon. ERNEST LAPOINTE (Minister of Justice): I have no advice to give as to the advisability of printing what the hon. member for East Lambton desires. But I really believe that it is difficult for those of us who are not members of the committee on Agriculture to decide to-day whether the report as concurred in by the House was or was not in conformity with the motion of my hon. friend. The hon. gentleman says it was not; the chairman of the committee says it was. As it is very easy to adjust this matter by the hon. member for East Lambton moving a further motion in the committee for the printing of the additional matter he wishes to have printed, I would suggest that this motion be referred back to the committee on Agriculture and Colonization so that the committee can settle the matter itself.

Sir GEORGE PERLEY (Argenteuil): I happen to be a member of the committee on Agriculture and Colonization although I was not present when the report in question was agreed to. But it must be remembered that the statement made by the hon. member for East Lambton was that the report of the committee brought before the House is not in accordance with the motion passed in the committee itself. That is something which ought to be carefully investigated. Whether there should be additional copies printed or not is beside the question at the moment. I quite agree with the Minister of Justice, if my hon. friend from East Lambton will agree, that this matter should be taken up again in the committee—

Sir HENRY DRAYTON: Refer it back to committee.

Sir GEORGE PERLEY: —that the motion be referred back to the committee, and then the hon. gentleman can see that the report to the House is in accordance with the motion as it passed the committee.

Mr. ARMSTRONG (Lambton): I do not intend to delay the House at all, I merely wish to say that the report as presented to the House is entirely different from that which the clerk of the committee handed to me as a correct copy of what he has on his books.

Mr. KAY: Did you write out a notice to the committee?

Mr. ARMSTRONG (Lambton): I did not write out a notice to present to the committee, but at the last meeting of the committee I rose at the close of the address made by Mr. Archibald and moved that 10,000 copies of that address be printed. The chairman called attention to the fact—and he knows it well—that such a number of copies could not be printed; that we could have only one copy for each member of the committee and one copy for each member of the House. He will not deny that, but to-day he is willing to allow this matter to be referred back to the committee for consideration. I am perfectly satisfied that that should be done, but I do not like to hear the chairman rise in this House and misquote me. At the last meeting of the committee I certainly moved that 10,000 copies be printed, and he gave the committee to understand that that number of copies could not be printed.

Mr. KAY: With the consent of the House—

Some hon. MEMBERS: Order, order.

An hon. MEMBER: Dispense.

Mr. SPEAKER: Is it the pleasure of the House that the hon. member shall have leave to withdraw his motion.

Sir HENRY DRAYTON: Refer it to the committee.

Mr. SPEAKER: It cannot be referred to the committee, but the matter will come back to the House.

Motion agreed to.

PRINTING OF PARLIAMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the name of Hon. J. C. Elliott be substituted for that of Mr. Prevost on the joint committee on Printing.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FREIGHT ORIGINATING IN THE UNITED STATES

Mr. WOODSWORTH:

The government blue book on statistics of steam railways for 1923 shows—freight originating on Canadian railway lines 67,888,325 tons—freight received from United States railways 34,370,000 tons. Approximately what proportion of freight received from United States railroads represented (a) American products destined for consumption in Canada; (b) American products from one United States point to another through Canada (that is—as from Detroit to Buffalo); (c) American products moving overseas via Canadian railways?

Mr. WOODSWORTH: Withdrawn.

Question withdrawn.

QUEBEC HARBOUR COMMISSION

Mr. BELL (St. John-Albert):

1. Who are the members on the harbour board commission of Montreal and of Quebec?
2. What remuneration is received by each of the commissioners?

Hon. Mr. CARDIN:

The Harbour Commissioners of Montreal are: President Dr. Wilfrid L. McDougald, salary $7,000 per annum; Dr. Milton L. Hersey, salary $5,000 per annum; Mr. Emilien Daoust, salary $5,000 per annum.

The Quebec Harbour Commissioners are: President Hon. W. Gerard Power, salary $6,000 per annum; Jules Gauvin, salary $4,000 per annum; Joseph Boutin-Bourassa, salary $4,000 per annum.

UNOPPOSED MOTIONS FOR PAPERS

REMOVAL OF SAND AND FILLINGS FROM TORONTO BAY

Mr. CHURCH:

For a copy of all letters, telegrams, permits, agreements, contracts, orders in council, reports of departmental officers, and all other correspondence regarding permits issued by the government for the removal of sand and fillings free out of Toronto bay from 1900 to 1918, including statement regarding results of legal action taken in the High Court of Justice of Ontario to cancel such permits; the value and amount of the sand and fillings so taken by private parties and companies, and what steps were taken to stop such operations.

EXPENSE ACCOUNTS OF T. W. FULLER AND R. C. WRIGHT

Mr. COTNAM:

For a copy of all vouchers covering expense accounts of Mr. R. C. Wright, chief architect, and Mr. T. W. Fuller, assistant chief architect, Department of Public Works, for the fiscal years 1918-19 to 1925-26, inclusive.

CARILLON POWER DEVELOPMENT

Sir GEORGE PERLEY (for Mr. Meighen):

For a copy of all applications for licenses, permits, or leases, or for approval of plans, filed with the government since June 20, 1925, affecting the Ottawa river at or in the neighbourhood of Carillon, and of all correspondence relating to such application, or of any order in council or memorandum expressive of any action taken respecting same.

RESTRICTED T. B. AREA IN FRASER VALLEY

Mr. BARBER:

For a copy of all correspondence, letters, telegrams and other documents passing between the federal Department of Agriculture and the government of British Columbia or any officer thereof, in the matter of the establishment of a restricted T. B. area in the Fraser valley, British Columbia.

NIAGARA RIVER POWER DEVELOPMENT

On the Orders of the Day:

Hon. EDMUND BRISTOL (Toronto East Centre): I wish to call the attention of the House to an article which appears in to-day's Gazette, headed "Settle with Chicago." It contains a statement with reference to myself and a statement which Mr. Magrath is reported to have made. It also indicates generally that Mr. Magrath and the commission were not backing up this motion. As far as I know, Mr. Magrath is personally backing up the motion which appears in my name. Then they want to know on whose behalf it is made. Well it is made on behalf of the province of Ontario, with the full knowledge, approval and co-operation of the premier of that province, who claims that one-half of the property at Niagara Falls affected by section 5 of this treaty, belongs, to the province of Ontario, and the other half to the state of New York. Objection is taken that we should not discuss this matter or deal with it, or speak to the people of the United States on it, so long as the Chicago matter is unsettled. When I make the motion I will take up this matter, but I wish to draw the attention of the House and the country to the fact that this motion is made with the approval of the Premier of Ontario and with his full knowledge and assistance.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE.

The House resumed from Tuesday, April 20, the debate on the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means and the proposed amendment thereto of Hon. R. J. Manion.

Hon. CHARLES MARCIL (Bonaventure): I am glad of the opportunity which is furnished me to-day of congratulating the

Minister of Finance (Mr. Robb) on the splendid budget which he has produced. It has been my privilege to hear some twenty-six or twenty-seven budget speeches in this House, and I think I am within the mark when I say that none of them was received with greater satisfaction by the House generally and the country at large. It has been appreciated to the fullest extent by both parties in this Dominion. I am glad that such is the case because three years ago the present Minister of Finance took up the work laid down by the great Minister of Finance from Nova Scotia. We have to go back to the days of Sir Alexander Galt and Sir Francis Hincks to find a time when the province of Quebec furnished Canada with a Minister of Finance. Since confederation that honour has devolved upon Nova Scotia with Mr. Fielding, on New Brunswick with Sir Leonard Tilley, and on Ontario with four of five ministers of finance, some of whom have gone while others are still with us. As a representative of the province of Quebec I am all the more pleased at the success which has crowned the efforts of the present Minister of Finance, because the task that he has fulfilled has been an exceptionally heavy one, succeeding as he does a man like the Right Hon. Mr. Fielding.

Last night in the course of the debate the question was put why Quebec was not heard from oftener and why Quebec voted as she did during the last election. When Quebec is able to find men of the calibre of the present Minister of Finance, who is a typical representative of the population of that province by the fact that he represents the dual constituency of Chateauguay—including the old historic Chateauguay, with an overwhelmning majority of French-Canadian electors, and Huntingdon, with an English speaking majority—and that he is able to speak in both languages to his electors, the people of that province, knowing that the finances of this country were to be entrusted to the present Minister of Finance, were well satisfied to permit him to carry on the work he had to perform. While we are glad at the success that has crowned his efforts, we are also glad that the artisan has been worthy of his work and we hope he will long be spared to continue to carry out the important duties he has undertaken.

The four main features of the budget before us at the present time are: first, reduced taxation, which is always welcome, not only in this country but throughout the world wherever the human race exists; increased trade, which is always a welcome thing, not only with Anglo-Saxons but with French-Canadians and with the population of this country at large; third, improvement in the finances of the Canadian National Railways, which is one of the great problems we have to deal with; and finally the return to penny postage.

The Minister of Finance in his budget speech, which I do not intend to discuss in detail, presented certain figures which I would like to mention, because they are really the sum and substance of his speech:

Reduction in taxation..	$ 25,000,000
Surplus applied to reduction of debt.. ..	22,353,000
Earnings of the Canadian National for the fiscal year ended March 31..	32,264,414
Favourable balance of trade..	402,000,000
Total trade..	2,258,000,000
Increase in imports..	130,000,000
Increase in exports..	249,000,000
Empire trade..	Increase of 90 per cent

Then there are the changes in the tariff which I will deal with later on, to conform with the West India treaty, and the reduction in the tariff on automobiles.

There is the return to penny postage which Canada was a pioneer in the person of its former great postmaster general, who, I am glad to see, still continues to fulfil a great duty in his native province of Ontario, being at present its Chief Justice. When Sir William Mulock introduced penny postage in this parliament he did so, I have no doubt, with many misgivings, but still he was hopeful of success. Dire predictions were made at the time that it would wreck the Post Office Department and ruin the finances of the country The Post Office Department had had a long succession of deficits, but as soon as penny postage was introduced the tide turned and it has been on the upward trend ever since. The penny postage has made Canada known throughout the world and it is a good thing that we should go back to it.

The abolition of the stamp tax on receipts means doing away with a nuisance, but those who have been in Europe know that the stamp tax on receipts is a firmly established institution in European countries. We are doing away with it because our people are not accustomed to it and we are glad to know that it is being discontinued.

The exemption in the income tax for married and single persons is one of the main features of the budget and I know it will be received with great popularity and satisfaction throughout the country. It has its many good features and I am sure the minister is to be congratulated for what he has done in that regard.

There is also a reduction in the income tax on private corporations and joint stock companies, an increase in a number of exemp-

tions from the sales tax; and the British preference is extended via Canadian ports not only to the mother country but to all parts of the empire.

All this is put before the House in a very unassuming paragraph—it is well worth quoting—in which the Minister of Finance says, referring to the reduced taxation:

> This era of depression has been overcome; all statistical complications which mirror the year to year business of Canada prove it. Canada to day is steadily growing more prosperous; there is less unemployment; the influx of settlers is growing; and with a hopeful spirit manifesting itself throughout Canada from coast to coast, the year 1926 is full of promise.

The revenue for the present fiscal year is estimated at $376,800,000, which shows that the country is not in such dire straits as it is claimed to be. Notwithstanding all the stories which have been heard about smuggling—which no doubt exists, as it will exist as long as fiscal laws are in operation—our customs import duties amounted to $127,360,00, or an increase of $19,200,000.

Other increases are as follows:

	Increase
Excise duties	$4,300,000
Excise taxes	9,689.000
Post office	1,540,183
Other revenues	541,214

The decreases are:

	Decrease
Income tax, because of reductions made last year	$ 708,092
Delayed business profits tax	1,540,183
Interest on investments	3,062,328

Or a total increase in revenue of $29,965,520. The total revenue therefore which stood at $342,834,479 in 1925, has reached $376,800,000 in the present year. The estimated special war tax revenues for 1925-26 are placed at $154,580,000 as against $147,166,158 in the previous year. The principal expenditures attributable to the war are estimated for 1925-26 at $163,997,000 as against $167,281,587 in 1924-25.

The Minister of Finance in showing a splendid financial statement had to do some negotiating in connection with meeting loans that matured during the past year, and he informs us that three of those he had to deal with, namely, $24,000,000 in London, $8,000,000 in Canada and $9,000,000 in United States, were met, and, we are glad to know, met to great advantage. Some of them were transformed into tax-bearing bonds and the amount of liability held in New York has been reduced by $55,000,000. In a word, the public debt which, on 31st March, 1925, stood at $2,417,473,685, now stands, on 31 March, 1926, at $2,395,084,685, or a reduction of $22,389,000. I am glad to be able to give here a statement prepared by the Department of Finance, showing the operations of the present administration since it took office:

Total Expenditure compared with 1920-21

Fiscal year	Total estimates as voted	Total expenditure including loans to railways and merchant marine	Expenditure decreases compared with 1920-21
1920-21...	$ 626,374,721 16	$ 528,283,199 84	
1921-22...	614,681,713 00	463,652,436 21	$ 64,630,765 63
1922-23...	497,813,497 56	434,352,341 03	83,830,858 81
1923-24...	446,814,566 82	369,232,403 45	159,050,796 39
1924-25...	406,738,318 62	350,737,228 58	177,545,971 26
1925-26...	402,092,024 13	356,590,000 00 (Estimated)	171,693,199 84
			$ 656,751,571 93

The government were entrusted with the responsibilities of office December 1921—Each year since then we have reduced the total expenditure compared with 1921-22 as follows:

Fiscal year	Total estimates as voted	Total expenditure including loans to railways and merchant marine	Expenditure decreases compared with 1921-22
1921-22...	$ 614,681,713 00	$ 463,652,436 21	
1922-23...	497,813,497 56	434,452,341 03	$ 29,200,095 18
1923-24...	446,814,566 82	369,232,403 45	94,420,032 76
1924-25...	406,738,318 62	350,737,228 58	112,915,207 63
1925-26...	402,092,024 13	356,590,000 00 (Estimated)	107,062,436 21
			$ 343,695,772 28

Revenue Including Special Receipts

	Taxation revenue	Other ordinary revenue	Special receipts and credits	Total
1913/14	$ 126,143,275	$ 23,636,803	.....	$ 149,780,078
1920/21	368,770,498	65,616,039	$ 1,905,647	436,292,184
1921/22	319,926,012	62,026,375	319,184	382,271,571
1922/23	335,453,341	59,161,559	8,479,310	403,094,210
1923/24	341,718,807	55,118,875	9,745,158	406,582,840
1924/25	293,914,519	52,919,960	4,680,913	351,515,392
1925/26 (Estimated)	324,860,000	51,940,000	2,143,000	378,943,000

Disbursements Chargeable to Net Debt

	Total generally uncontrollable	Total generally controllable	Total	Increase or decrease of debt
1913/14	$ 70,808,304	$ 100,666,999	$ 171,475,303	$ 21,695,225 Inc.
1920/21	369,077,009	159,225,535	528,302,544	92,010,360 "
1921/22	315,289,384	148,239,005	463,528,389	81,256,818 "
1922/23	298,144,244	136,591,033	434,735,277	31,641,067 "
1923/24	230,149,569	140,439,676	370,589,246	35,993,594 Dec.
1924/25	209,715,525	141,454,278	351,169,803	345,589 "
1925/26	209,167,000	147,423,000	356,590,000	22,353,000 "

NOTE—Uncontrollable includes not only loans to railways but also all deficits and capital expenditures in connection with the Canadian Government railways.

I have stated enough, I think, to demonstrate to unprejudiced and fair thinking people that the financial operations of the present administration have been successful. This success may be attributed to Providence, as has been done in an eloquent speech which we have heard, but I am glad to know at any rate that in this case Providence is with the government. And so long as the government continues to administer the affairs of the country under such auspices we shall have no reason to complain.

I shall now refer for a moment, merely en passant, to the trade of Canada, giving the totals for the three years 1924-25-26. I shall not go further back:

	1924	1925	1926
Imports..	$ 898,338,916	$ 799,248,046	$ 911,107,055
Exports..	1,029,478,881	1,066,681,325	1,297,744,683
Total trade.. ..	$1,924,817,797	$1,865,929,361	$2,208,851,738

For the twelve months ended February, 1926, our imports for consumption from the United Kingdom amounted to $162,000,000 odd, while our imports from the United States in the same period amounted to $597,000,000. In the same period our exports to the United Kingdom amounted to $502,000,000, in round figures, and to the United States $473,000,000. The balance of trade is still against us with the United States but it is being diminished, while our trade with the empire is increasing.

I do not intend to go into the details of our present trade with the Mother Country but I may observe in passing that this trade is on the increase. This is true also of our trade with the empire as a whole. In 1924 our total imports from the British Empire amounted to $197,000,000; in 1925 it was $192,000,000 and in 1926 it increased to $205,000,000 in round figures. With the United States our trade was as follows during the past three years in round figures:

	1924	1925	1926
Imports..	$603,000,000	$515,000,000	$597,000,000
Exports..	426,000,000	418,000,000	473,000,000

We have made very substantial progress in our trade with a number of the leading countries, notably Germany, the most outstanding, Russia and the Argentine. I will not fatigue the House by giving a list of the others as they are available to hon. members.

We have heard considerable prophecy in this House and in the country generally regarding the ultimate result of the venture of Canada in state-owned railways. We have the largest state-owned railway in the world, with 22,191 miles, and when the Liberal party came into office in 1921 at the request of the Canadian people—in six of the provinces no opponent was elected—it stood face to face with this immense problem of managing so vast a railway system. The question was whether the Canadian National Railways should remain a state-owned utility or whether they should be converted into a private concern. Liberals were divided on that question, but they agreed to give the system a fair trial. The government was successful in laying its hand upon a man who evidently was well fitted for the job, and to-day Sir Henry Thornton in his report—tabled by the Minister of Railways (Mr. Dunning) yesterday—is able to show net earnings of $32,264,414 as against $17,244,000, last year, being an increase of $15,000,000. That is within $7,000,000 of what is necessary to meet interest obligations owing to the public.

Sir Henry Thornton in his report, which no doubt has been studied by the members of this House, makes some valuable suggestions, and somewhat similar suggestions have also been made by Mr. Beatty, president of the Canadian Pacific railway. Both agree that if our railways are to be made a success and if Canada is to continue on the high road to prosperity, our main problem is to increase immigration. The success of the Laurier administration from 1896 to 1911 was largely due to the fact that one million settlers went into

the western country. As a result two new provinces were formed there, Alberta and Saskatchewan. These settlers of course increased the consumption of manufactured goods, and the factories of the east were kept humming day and night until 1911. Then the Right Hon. Mr. Fielding and the late Hon. Mr. Paterson came back from Washington with a reciprocity treaty for the exchange of natural products with the United States. Conservative members declared it was better to leave well enough alone, that they were thoroughly satisfied with the prosperous condition of the country, and were opposed to entering into any such treaty with the United States because in a short time it would be extended to manufactured articles. Then, during Sir Wilfrid's absence at the coronation, was inaugurated, the campaign against reciprocity throughout the Dominion, with a side show in Quebec on the navy. The government was defeated and the Borden administration came into office. Sir Henry Thornton agrees with Mr. Beatty that something must be done to increase immigration, and I am glad to know the government has taken the matter up in co-operation with the British government, our two great railway systems and our provincial governments. Their united efforts should again make Canada what it used to be, the immigration magnet of the world. From 1904 or 1905 until 1911 immigrants came in at the rate of a thousand a day, or three hundred and sixty-

4 p.m. five thousand a year. Every steamer from Europe and every train from the United States brought in settlers because at that time Canada was a cheap country to live in and had plenty of homesteads to give away. Those who are interested in this matter will find in the parliamentary debates of those years that men of high standing in western Canada stated the time would come when the Dominion would need, not one, two or three transcontinental railways, but half a dozen.

Sir Henry Thornton in his report has mentioned another matter which we discussed in this House the other day regarding the utilization of certain portions of our railways which are not now utilized to the extent they should be, having probably in mind the Transcontinental, and he has suggested that the government should set aside a certain amount of money to deal with that particular problem. I know the Minister of Railways will give it full consideration, and I shall therefore leave it in his hands.

We have often heard, Mr. Speaker, that Canada for the last three or four years has been in the slough of despondency, that conditions have been going from bad to worse, that our people have been leaving for the United States by the thousand, most of them never to return, and that immigrants merely stay here for a short while and then go south. To show that these allegations are not well founded, I propose to quote from opinions expressed by reliable authorities as to the present prosperity of Canada. First, let me read an extract from an article by Mr. C. E. Neill, president of the Canadian Bankers' Association:

> Business in Canada is undoubtedly expanding once more. The factors underlying improvement have been evident for some time—a sound credit structure—better agricultural conditions—excellent and well distributed crops yielding satisfactory returns—increasing mineral production and larger outputs in many lines of industry. Disparity in purchasing power between the various groups on consumers has been gradually reduced and generally speaking, goods are being exchanged on a more profitable basis. Railway freight loadings are running at higher levels, both for merchandise shipments and in the aggregate. These loadings are concrete evidence of a larger current volume of trade and more active consumption.

In connection with this semi-financial statement, I wish to read a few lines from the Fnancial Times, which opened the year 1926 with the following statement, showing that Canada after all was not in such a bad condition three or four months ago:

> Eighty stocks advanced over 1,300 points during year 1925.
>
> Net declines in year established by only 20 issues—Smelters leads with 132 point gain—Canners second with 75 point gain, and Montreal Power third, up 65 points—Dominion Glass heaviest loser, being down 28 points.

And then is given a long list showing the prosperity of the various concerns.

Now let me refer briefly to another feature that is considered of great importance to-day. Our friends of the opposition in their amendment which is now before the House have not atacked the budget as a whole; they do not complain of the reduction of taxation except in respect to one or two items; they say nothing about the prosperous condition of the country; they direct their whole attack against the reduction in automobile duties. I have in my hand a copy of The Border Cities Star of April 17, 1926, published two days after the budget was brought down by the Minister of Finance, and in large red type across the top it contains this announcement:

> Ford will not close.

Then follows this statement:

> New Ford Prices
>
> The Ford Motor Company of Canada announced a general cut in prices this morning.

I am sure that announcement was well received by the buyers of automobiles throughout Canada.

The reductions vary from $15 on the runabout, without a self-starter, to $45 on the Tudor, Fordor and truck, with starter models. The complete price list compared with the old is as follows:

And then the list is given. I think that is a pretty good start. It shows the people are not at all displeased with that cut in the tariff. I am glad to be able to give an appendix to this statement in the form of an extract from an article written during the past year by Mr. R. S. McLaughlin, president of General Motors of Canada, Limited—who at the present time is very much in the public eye—entitled "Automobile Industry has Record Year." In this article he does not condemn any of the trade arrangements made by this government. He concludes with this statement:

Export business has shown a good margin of increase over the previous year, as well as domestic sales. The very timely action of the Baldwin administration in effecting the restoration of the McKenna duties in Great Britain has been of immediate benefit to the industry, as well as an encouraging factor in regard to future trading.

Mr. CHAPLIN (Lincoln): Do you take credit for that?

Mr. MARCIL: This is what Mr. McLaughlin says, the president of General Motors of Canada. He says that the automobile export trade in this country has been on the increase. We do not claim any credit for any action taken by the Baldwin government, but I think we may claim some credit for what follows:

The ratification of the Australian preferential agreement by the Canadian parliament is also taken by the industry as a good omen for the future of Canadian export business in the Antipodes, where markets have been expanding rapidly of late. Canadian automobile manufacturers should be enabled to strengthen their hold on the Australian market as a result of the preferential agreement, especially if Australia sees its way clear to modify the regulation which requires motor vehicles to be valued for duty purposes on the basis of price in the home market. The application of this rule at present works to the detriment of the Canadian manufacturer for the reason that it costs considerably more to build motor cars in Canada than in the United States, even after taking into consideration the customs drawback allowed on exported material, and in consequence, higher duties are collected on cars made in Canada, than on cars made in the United States, even though the price to the Australian consumer be the same.

The way the matter strikes me, and as I think it strikes the average man on the street who is not familiar with the ins and outs of the automobile trade, is this: Why should the same automobile sell cheaper in the United States than it sells in Canada? That is a point I have never been able to understand, and that is what catches the fancy, I believe, of the Canadian people. The nearer we get to the prices that prevail in the United States, the nearer we shall get to ensuring the prosperity of the automobile industry in this country, because it must not be forgotten that the more cars that are sold in Canada, the greater will be the prosperity of the automobile industry in this country. It was prophesied in the old days when tariff cuts were made on this article, on that and the other, that different industries would be ruined, but the very reverse has taken place, and these different businesses have gone on improving very satisfactorily.

I had intended to speak of the pulp and paper industry, but I shall leave that for another occasion, as well as many other extracts I had intended quoting, because I do not want to fatigue the House, and I know that our friends do not want to have this debate unduly prolonged.

Now I will go outside the House and quote a few lines from some of the leading newspapers of Canada, on both sides of the fence, to show how this budget was received the day after it was delivered, and with your permission, Mr. Speaker, I shall give these extracts as briefly as possible. Let us begin with the Morning Chronicle of Halifax, which says:

The budget, we believe, will be welcomed by the people of Canada as a great step forward in the fulfilment of the policy of progressive Liberalism and equally for the promise it offers that the government has set its face definitely in the direction of lightening the burdens of consumers and taxpayers and of freeing trade and business from hampering restrictions and burdensome exactions. The King government has given the country a real Liberal budget. It is of good augury for the future prosperity of the whole country.

The Sydney Record says:

Canada is winning through. This country, like all other countries, has had a hard time in recent years, though it is always rightly to be remembered that Canadians have been better off than the people of most countries. The pessimists have talked a great deal of the sore plight of the nation and have shaken their heads dubiously as to the future. Some politicians, for unworthy partisan reasons, have magnified the difficulties and exaggerated the facts. The truth is that Canada has been winning through in fine style. There has been gradual but steady progress. In the last year or two progress has become swifter. The country is now entering upon a period that promises to be a period of general prosperity. Trade is expanding, immigration is increasing, business is improving in the Dominion as a whole, and now federal taxation is coming down. Canada is a place for optimists and no place for pessimists. And Canadians should be standing up for their country each day and all the days.

Now I pass to the Island province and give a short extract from the Patriot of Charlottetown, Prince Edward Island:

The note struck by the Finance minister in his budget speech will resound throughout Canada; it will

inspire confidence, and enlarge hope. It relieves the people to a considerable extent of the burden of taxation. This in itself is a great achievement; but the greatest emphasis is to be placed upon the fact that the government has been enabled to accomplish this because of the increasing prosperity of the country from the Atlantic to the Pacific.

Let me pass to St. John, New Brunswick. The St. John Telegraph-Journal says:

The budget speech is a surprise both financially and politically. It has several welcome features, and perhaps the best of these is that it not only lessens materially the general burden of taxation but gives the country at large a measure of encouragement which is particularly timely.

Now I will give a word from a French-Canadian newspaper published in Montreal, and edited by one of the members of this House, a paper that is generally regarded as independent in politics. Le Devoir says:

(Translation): From every angle, the Robb budget shows a marked improvement over those which preceded it. The budgets of Sir Thomas White, during the war, taxed more and more the rate-payers. Those during the period of demobilization, from Sir Henry Drayton's advent up to Mr. Fielding's time, further burdened the rate-payers. Mr. Fielding relieved but little the situation. For the first time since 1915, a Finance minister, instead of seeking from rate-payers more money, more taxes or advising them to be patient and wait, tells them: "The worst is over, the summit of the hill has been reached, we are now on the downward slope, breathe more freely, I have less need of you."

La Presse, of Montreal, says that the rubicon has been passed, that is, the rubicon between the days of heavy taxation, war nightmares and the other evils of the past and the present days of full sunshine and prosperity, the prosperity the Liberal party gave to this country in the old days. La Presse says:

(Translation) The Budget speech delivered yesterday by the hon. Mr. Robb is indeed an event of importance: in fact, it ends an epoch and opens up a new era in the history of Canada.

For the first time since too many long years, the Canadian rate-payer, in the habit of seeing new taxes grafted upon him each time the budget was introduced, witnesses, to his astonishment and great joy that, on the contrary, this year, the benefits by a reduction in taxes: a real and very substantial reduction.

Even the Montreal Star was unable on its first impression on the 16th of April to refrain from opening its editorial headed, "An Election Budget," as follows:

Canada is to be warmly congratulated on the changed conditions which have made Mr. Robb's optimistic budget possible. If nature had not been kind, if the inevitable and yet long-delayed recovery from the wounds of the war had not really begun, Mr. Robb would never have been able to delight his partisans and gratify the country with what is, perhaps, the best pre-election budget ever delivered in parliament.

That is a pretty good statement from that authority. The Recorder and Times, of Brockville, concludes its editorial of the 16th of April as follows:

The reduction in taxation has been made possible through the greatly improved state of the federal finances. Receipts have been increased and the national debt decreased. As these finances may be expected to grow even more satisfactory from year to year, still further reductions are in prospect. Gradually but surely Canada is overcoming the economic difficulties which followed in the wake of the war and returning to the very pleasant state of affairs which existed before 1914. Mr. Robb and the government of which he is a member are entitled to a cordial and unanimous vote of thanks. They have done well, even better than was expected.

The British Whig of Kingston, Ontario, makes the following statement:

The 1926 Robb budget will be hailed by business men and other workers all over the country as the best news from Ottawa since Armistice day.

The Mail and Empire begins an editorial in the following manner:

The very substantial reduction made in the burden of income taxation will not be the less welcome to thousands of Canadians because it is announced within a fortnight of the day when the care-wearing task of preparing the returns and finding the money for the first instalment must be completed.

The Toronto Globe has this to say:

In a budget, which proclaims the business renascence of Canada, emergence from long post-war depression, the Minister of Finance yesterday presented the country with $25,000,000 by way of annual relief from various imposts. Such extensive reductions were unexpected. Canada had become rather reconciled to the burden of war debt, seeing relief only in the future with increased population and greatly enlarged business. That the burden is being lifted in a substantial measure at this date brings the welcome conviction that we are definitely on the upward trend.

The Hamilton Herald says:

Whether or not Finance Minister Robb has done a wise thing in cutting down taxes and thus dispensing with many millions of revenue, it is certain that he has done a very popular thing. He has perhaps made it harder for the government; but he has made things easier for thousands of Canadian taxpayers. In the end, probably, it will be found that he has done a wise as well as a popular thing, for the measure of relief from taxation will act as a stimulus to some branches of industry and serve to allay widespread discontent.

The St. Thomas Times-Journal expresses itself as follows:

Evidently, Mr. Robb fully appreciated the responsibility of preparing his first individual budget, and was no less anxious to frame proposals that would prove widely acceptable and provoke as small a measure of dissent as humanly possible. That he made a careful study of the taxation system as it existed is plain, and in deciding what and where to change or modify, his aim has clearly been to do the greatest good to the greatest number, especially those whose moderate incomes and means make taxation, however limited, a relatively heavy burden.

I quote the following from the Border Cities Star:

Hon. J. A. Robb's budget, brought down in the House yesterday, is the most important since the war. And, in some aspects, it is the most encouraging. Details which were published in the Border Cities Star yesterday within the same hour as their delivery in the House, reveal a genuine effort to make a good showing. Surpluses are produced, revenue is shown higher than expenditures, taxes are reduced, and tariffs are changed with a rather sweeping motion.

The Border Cities Star goes on to comment in a favourable manner on the features of the budget, except as to the automobile duties which of course is a live issue in that particular locality. The Winnipeg Tribune has the following to say:

None of the reductions, apart from the cut in income taxes, will substantially affect the revenues of the government, and even in the case of the income tax the indirect benefits may shortly bring greater returns to the treasury. Next year the people will expect as many and as great slashes at taxation. With increasing prosperity, and the opportunity of reducing the national expenditures substantially, there are still possibilities of immense reductions in taxation.

The Winnipeg Free Press has an editorial under the caption "A People's Budget." In the editorial itself the following comment is made:

The budget brought down to parliament yesterday by the Minister of Finance will give widespread satisfaction. It shows the country to be in a soundly prosperous condition, with the certain prospect of further improvement; and it brings to the individual taxpayer not the promise, but the actuality of a substantial reduction in taxation that will be felt immediately in every household in the country.

I quote the following from the Morning Leader of Regina:

The budget presented yesterday by Hon. James A. Robb, Minister of Finance, is one that reflects prosperity and that will mean still more prosperity. It is a budget of the famous Fielding type; it tells of great strides in Canadian trade, and it spells action, also, in the very important tax reductions that have been announced.

I find the following in the Halifax Herald:

The taxpayers of Canada get long-delayed but none the less welcome relief under the proposals of the budget, opened at Ottawa by the Minister of Finance on Thursday afternoon.

And so on. I might quote opinions from many other newspapers, but I shall not further trespass upon the patience of the House. I think I have demonstrated beyond peradventure that, although nothing is perfect in this world—and a budget could not be perfect any more than any other human creation—this particular budget meets with the hearty approval of reasonably-minded men, and I am quite willing to defend it. It is an exhilarating budget as compared with some of the depressing financial statements presented during the days of trial and stress. Old Liberal members of this House will remember how we cheered the budgets brought down in pre-war days, and how we submitted from a strict sense of duty to the obligations imposed in budgets during the war period. Happily that period has passed, and I think it has passed forever. Canada is now on the highway to prosperity. We have in this country all the things required for the building up of a great nation, and we intend to remain Canadian first, last and all the time. Our differences at the present time relate to economic questions, but it is right and proper that we should differ because as the French say, du choc des idées jaillit la lumière. It is from such discussions that we will be able to solve our problems. Our problems are of an economic character, and as long as they remain within that realm there can be no doubt as to the future of Canada. The old idea that we had a western Canada and an eastern Canada is fast passing away: There must be but one United Canada. There used to be some years ago a French Canada and an English Canada. That era is also disappearing. We French Canadians of the province of Quebec are learning the English language, and I must say to their credit that some of the outstanding men who came to this parliament many years ago unable to speak a single word in the English tongue have mastered that language and deliver to-day some of the most eloquent speeches heard in this chamber. That is a good example which I hope our English speaking Canadians will imitate, because they know as well as I do the tremendous advantage it is for a man to be master of two and even three languages.

In this country we shall reach the solution of many of our difficulties if the people can only understand each other, if they can only meet together in mutual intercourse. Because our common aim is the same, that of building up on the North American continent the civilization of Great Britain and the civilization of France, to further the advance of humanity and of civilization in all its forms. The French Canadian has his merits, the Anglo Saxon has his; those who come from other countries have theirs also. Let us unite in seeking to realize one common aim, and we shall create on this North American continent a nation of which the British Empire will be proud for all time to come.

Mr. C. H. DICKIE (Nanaimo): I have listened with great attention to the address of the last speaker and with many of his remarks, certainly with his concluding words, I thoroughly agree. I also agree with the hon. member that a certain degree of prosperity has come to Canada; but in all the extracts from newspaper editorials read by the hon. gentleman very little credit was given to the present government for that prosperity. That prosperity has come because Providence has been kind to us.

The hon. gentleman eulogized the Minister of Finance. I think we all agree as to the splendid personality and the ability of that gentleman. We are very glad indeed that we can compliment him upon being able to bring down such a favourable budget. With all the features of that budget, of course, we are not in agreement. It is not my intention to take up much of the time of the House on this occasion, but I will just deal with one or two of what I conceive to be errors, either of commission or omission, in the budget.

The hon. member for Vancouver North (Mr. Donaghy) gave us an interesting address last night. It was his maiden speech and I compliment him upon it. He made a deliverance which rang true on the subject of the manufacturing of our raw materials in this country. He said nothing that would indicate that he had views along the lines of free trade for Canada.

With respect to the problem of the raw resources of Canada, this has been a tale thrice told by me in this House and I will not reiterate views I have already expressed. I think this problem is one of the most important factors in the economic life of Canada. Still we have no word from the government opposite in regard to any relief being granted or anything being done which will enable this country to retain more of her men. The hon. member who has just addressed the House (Mr. Marcil) spoke of the wonderful progress Canada was making. I fail to see where there is any congestion of passenger traffic due to Canadians coming back to Canada; in fact I know of very few of them coming back. With respect to the stock market, since the first of January stocks have been falling almost as much as they rose during the whole of last year. That is no indication of prosperity in Canada.

Mr. MACDONALD (Antigonish): What about the New York stock markets?

Mr. DICKIE: I am speaking of that market. You know quite well, Mr. Speaker, that since the first of January stocks have dropped very greatly. Last year they rose until the 1st of January, and since then they have been going down, although lately there has been a slight recovery. Placing the Speech from the Throne and the budget side by side and comparing them, they reminded me of a speech of an American politician, at the conclusion of which he said: "Fellow citizens, them is my sentiments; if you do not agree with them, they may be changed." That appears to be pretty well the attitude of the government. In the Speech from the Throne they gave us to understand that the tariff would not be tinkered with until consideration was given to it by the commission qualified to deal with it. In the budget speech they come down like a thunderbolt with this change in the policy, making a reduction of the customs tariff on automobiles. We all know why it was. The government said, in effect, "Providence has been kind to us and has been kind to Canada. The province of Saskatchewan has been kind to us and therefore we must bow to their will. They stand like a Colossus astride the people of Quebec. They say, as Caesar said, "'Do this,' and 'tis accomplished." The government has given way to them, and has said in effect: "We will send more money and more of our men across the line to swell the population and prosperity of that country."

We expected that through the newly-created tariff board we would be educated as to the rights and wrongs of the automobile industry. Many of us feel quite strongly that we have been charged too much for automobiles, but we do not know; we are not quite sure in the absence of expert advice on the subject. I might, however, perhaps make an exception of the great Ford company; it appears that they have been making excessive profits. However, we were quite willing to await the report and did await the report of the tariff board with respect to that industry. This provision in the budget came, I say, like a thunderbolt, and automobile people were appalled. We do not know where we stand; we do not know next where the blow will fall, and this is all done in deference to our friends from Saskatchewan and the Progressive party. It is pitiful to think of the once great Liberal party getting down on its knees to the Progressive party and to the province of Saskatchewan at this time.

We must be an industrial country or we must fail. No country can succeed by agriculture alone. We must industrialize this country. We realize that, and the people of Quebec must realize it, just as do the people of British Columbia and of the other prov-

inces. Many of these people are protectionists, still they are lining up with those interests which are advocating free trade—all in order that the government of the right hon. Prime Minister may have a further short lease of power. I have been a Conservative, Mr. Speaker, as long as I can remember, but if at any time my party should descend to any such truckling as we have witnessed, in order to remain in power, I would leave them at once. I believe in the dignity of party. I am dismayed and sorrowful indeed to see the once great Liberal party degenerate, as it has done. I am sorry to see our Canadian friends who believe in protection not sticking up for it. In effect they say, "Let our sons and daughters who were born in Canada, and whom we loved and educated, drift across the line—anything in order that the government of the Prime Minister may remain in power." What kind of Canadian sentiment is that, Mr. Speaker? I do not understand it, and I think few of us do.

This budget will undoubtedly have the effect of forcing more people to drift across the line. That indeed seems to be the emigration policy of the government. The United States government have spent millions to keep people from coming to their adequately protected country. We have spent millions in the endeavour to bring people from Europe and to use Canada as a training school to qualify for citizenship in the United States. We practically say, "Come, no matter whether you prefer the red flag to the Union Jack; we want you to come to Canada, we want conscientious objectors; we want anybody to come and we must have immigration to Canada, while at the same time the United States are keeping these people out." We have the conscientious objectors in British Columbia; in fact one man I was informed was so conscientious he would not split wood because of the scriptural injunction, "What God hath joined together let no man put asunder." I am sorry indeed to see the once great party opposite adopt such tactics. They remind me of the sick man turning from side to side in his bed, weary, restless, impotent, unable to help himself, willing to even sacrifice a kingdom, if he had it, in order that he might recover; in other words, to fit the present case, in order that the government may live and remain in power. Such an attitude on the part of any party cannot help having an adverse effect on that party, even though for the time being they may seem to be deriving some slight benefit from it.

We have, as hon. gentlemen know, expected and wished for some relief for our small farmer in British Columbia as well as in Ontario and Quebec. In British Columbia we have not those vast domains which they have in the Northwest Territories. We have only small farms, and we specialize in dairying and poultry raising. I represent I believe more poultrymen than any other man in the Dominion of Canada. My district is ideal for that sort of thing. We have on the beautiful islands along the coast of Vancouver island, as well as on that island itself, extensive poultry industries upon which millions of dollars have been expended. They have brought the modern hen up to a degree of efficiency that never was dreamed of years ago. We have the modern hen developed so that it approximates a mechanical unit; all we have to do is to feed Alberta and Saskatchewan grain to the hens, and out comes the egg! The price of that grain is fixed by the world's market, and we are glad that is the case. Immediately a hen does not live up to past records the unit is discarded and replaced. In British Columbia we have the best poultry on the American continent. To-day we are sending breeds of our poultry to the Argentine, India, China and Australia. We specialize in poultry raising; with us it has become a scientific industry. But we find that we cannot compete with the United States people in this respect. I do not know a Leghorn from a Wyandotte, but I know ninety per cent of British Columbia poultrymen are returned soldiers and seventy per cent of them want nothing from this Dominion of Canada but an equal chance with their brothers across the line in the poultry business. These men came back from the war, doffed their uniforms and put on their working clothes, asking for nothing. They put their money into the poultry business; they have been struggling along and they are suffering under a handicap, no matter what the Minister of Finance may say about the prices of eggs and butter being fixed in the markets of the world. He can talk in that way until ice forms where ice has never formed before, but I know that when eggs and butter come from Seattle and Puget Sound cities into the British Columbia cities of Victoria and Vancouver, down goes the price of our eggs. We let eggs come in under a duty of three cents per dozen; but when conditions are reversed and we have a surplus of eggs which we want to send across the border because the market there is good, we are met with a hostile tariff of eight cents a dozen. Are we mice rather than men that we are going to stand for that sort of thing?

The Minister of Finance says that the price of butter is fixed in the world market. Every boy on the street, every woman in British

Columbia knows that when a shipment of New Zealand butter comes on to the market in Vancouver or Victoria, down goes the price of butter. We know the United States policy with respect to these matters. Why not adopt a similar policy? I do not believe in copying anybody; I believe we are strong enough, vigorous enough, virile enough and sensible enough to adopt a policy that will be adequate for the protection of the farmers and manufacturers of Canada without respect to the policy any other nation may adopt. I care not what tariff the United States people may impose, I would impose a tariff adequate to protect this country, just as they are doing to protect theirs, and not necessarily an imitation of them. When we find their butter and eggs coming in to the detriment of our dairymen and poultrymen, and when we find their manufactured goods appearing on the shelves of our stores in competition with goods manufactured in Canada, I would impose a duty to prevent that. Where do you see on the United States side any of our goods exposed for sale? The moment any article manufactured in Canada goes over there, up goes their tariff. That is a wise, sensible policy, a policy that has been adopted by every country in the world with the exception of Canada.

Owing to the strong appeals from the people in the prairie provinces, who, I admit, would not benefit by a highly protective tariff, we are forced to acquiesce in their wishes that we should still travel along the line of a moderate tariff and allow goods manufactured in United States to enter Canada. I want this thing to be spread equally over Canada and I say, as our leader has said, that I would be willing to reimburse our brethren in the west to the extent of their losses in having to pay more for goods manufactured in Canada than they would have to pay if they bought in the United States. But we must buy in Canada. I have said this before and I say it again: We must keep more of our money in this country or we cannot succeed. We talk of prosperity in Canada. We have made some strides; but this wonderful Canada of ours, with its vast resources in timber, mines and agriculture, instead of simply increasing a little in prosperity from time to time should be one of the most prosperous countries in the world. We have the population,—fine up-standing, broad men. I have seen them by the thousand leaving Canada, men who could hold a cow up with one hand and milk her with the other. We want to keep those men in this country rather than allow them to drift away to the United States.

With respect to the automobile industry—and I speak for myself; I do not speak for my party—instead of reducing the duties I would give the automobile industry a fifty per cent protection. Then I would say to those manufacturers: We have given Canada for your field; prepare for and go ahead with your mass production; but we want cheaper automobiles. I know that one of the greatest automobile factories in Canada would be prepared to concede a ten per cent cut right now had that been done, and I have no doubt others would do the same thing. In time they could manufacture automobiles in such a way that the price could be reduced, and I would have the government say to those people: We will not stand for any illegitimate profiteering. In that way we would keep millions of our money and thousands of our men in Canada. That is the way in which I would build up this great country of ours.

With regard to our good friends from the west, for whose ideas I have every respect, although we have not in British Columbia perhaps the vast expanse of acreage that there is in the prairies, I think we have a broader national vision—and I say that in all kindness to my hon. friends. We have our grievances in British Columbia. We can buy the goods we require more cheaply in the United States than we can in Canada, but there is no desire on the part of our people to do that. We are willing to make little sacrifices in order that the whole of the Dominion may succeed. It makes me, I will not say impatient, but a little sorry to hear at times such remarks from my friends from the west. I do not think they mean them as badly as they sound. Two or three years ago the hon. member for Macleod (Mr. Coote) came here with five or six measly, almost rotten apples, in what seemed to some an effort to discredit the fruit growers and packers of British Columbia, at a time when they were spending and had lost millions in trying to build up the fruit industry of Canada. Another member from Saltcoats, an estimable gentleman who is not in the House now, said in this chamber: We will soon be able to grow rhubarb in the northwest so that we shall not require any British Columbia apples. We all know the free trade proclivities of the hon. member for Rosetown (Mr. Evans) who used to moan and groan when anything was said about enacting a dumping clause that would keep Washington apples out of British Columbia. Those are things, I say with all respect to all parts of the House, that are not conducive to that unity preached

by the very sincere hon. member for Brandon (Mr. Forke). I think that the prairie people should cultivate a broader vision which would enable them to help us to make Canada the country which it was designed to be by a beneficent Providence. Surely the winds that sweep across that great prairie country have not dried up all the milk of human kindness. Our poultrymen in British Columbia have to work every day in the year and during the last year they have lost many thousands of dollars because they cannot produce eggs at thirty cents a dozen. They buy goods from the merchants; the merchants buy from others, lumber is bought, and all that money is circulated. But when we send any of that money into the United States, it is gone. We want it circulating in Canada. That is the only sane policy to adopt. All other countries have adopted it; why do we hesitate for a purely political reason? Let us have a policy that will make Canada a great country because Canada is greater than all political parties.

Mr. CAMPBELL: In fairness to the hon. member for Macleod, who is not in the House at present, I might point out that on the occasion referred to by the hon. gentleman, what the hon. member for Macleod was complaining about was the system of grading. He showed some inferior apples which were graded Fancy Sweets, or something of that kind. I would assume that the fruit growers of British Columbia would be just as much interested in having a proper grading system as the consumers on the prairies. There was no attack whatever on the fruit growers of British Columbia.

Mr. DICKIE I did not say there was an attack on the part of the member for Macleod, but it led to very many things being said that we were sorry to hear, especially from the hon. member for Rosetown and others. The hon. gentleman who has just spoken knows how hard they fought against the dumping clause in order that they might get apples in from Wenatchee and other points south of the line. Perhaps their packing methods were not quite up to date but they were doing their best. We know that the orientals sometimes pack apples which are not shipped through the white packing associations of British Columbia and we know also that the people of that province have lost fortunes in the endeavour to build up an industry. I do not attribute badness of heart to our Progressive friends but things of this sort lead some people who perhaps are not given to looking for motives of generosity to think that the people of the prairies were opposed to the interests of British Columbia. Let me assure hon. gentlemen that our struggle is a hard one.

Mr. CAMPBELL: On the occasion in question the recriminations were mutual as they usually are under such circumstances.

Mr. DICKIE: The recriminations may have been mutual but I took no part in them. We in British Columbia, I say, are having a hard fight. We are, so to speak, shaking dice with the mountains, trying to wrest wealth from their tenacious grip. In the poultry and dairy businesses everybody is working hard to succeed and all we want is to be put on equal terms with other nations who have adopted the protective policy. As my good friend from Fort William (Mr. Manion) observed yesterday, we do not see people going from Canada to reside in England, and England is as nearly a free trade country as one can find anywhere. Look at Australia. We are allowing their eggs to come into Canada to the detriment of our industry. I do not say that as a matter of fact their eggs will come in, but some doubtless will be imported. But the significant fact is that Australia with a duty of eighteen cents per dogen on eggs is given the opportunity to send her product into this country in competition with ours if she can manage it. Is there any sense in such a policy? Australia came out of the war torn, battered and bleeding, as we were, but years ago she was paying off her debt and reducing taxation so that two years ago she was prospering and is still prospering. Australia has a protective tariff to safeguard her manufacturers and all her producers. And in this regard she serves as an object lesson to us. Take the United States again: it is true they came out of the war in better shape than we did, and it is also true that they were more prosperous than we were before the war came, but we see our people going across the line from year to year, and all because there is a policy over there that makes for employment. We know that the moment we try to send anything into the United States, a tariff wall is erected to stop our progress. I do not say that we should build a tariff of brick for brick, but I do say that we should have an adequate tariff wall to keep out the manufactured products of other countries which have tariff policies hostile to us. Only in that way can we bring about that prosperity that will make for the unity which we all desire to see achieved in Canada.

I am sure every one of us wants to see Canada succeed, and this success can be attained if we are prepared to compromise a little here and there. I maintain, however, that Canada can never hope to make any real progress without a protective tariff. I am convinced of the soundness of that argument, everything tends to support it. Why should we arrogate to ourselves a knowledge superior to the wisdom of experience in every other part of the globe? Every country has a protective policy except poor Canada. We have some protection but what was adequate in the days of Sir Wilfrid Laurier and in the days of Sir John A, Macdonald is inadequate at the present time. As mass production sprang up in other parts of the world, and new methods were put into practice, the tariff which we had in this country proved insufficient to protect us. We see the Americans putting up their tariff from time to time, while France is doing the same thing. France has a tariff of 100 per cent on some articles and generally she takes every possible means to keep her workingmen employed at home. That is a sort of policy we should have in Canada. We want to see this country united and we shall see this hope realized in time, I am sure, although it must be confessed that now and then one loses heart.

When the Roman Empire fell, two great nations came into prominence in Europe—England and France, representing the pinnacle of culture and civilization in the Old World. These two countries in the course of their history have alternately fought and caressed, and notwithstanding all their faults they stood out as the two greatest peoples of Europe. Then came those awful days of 1914 when they fought side by side in defence of a common ideal. It annoys me to hear disparaging remarks of the British Empire, but even if we admit, as I personally do not admit, that England went to the aid of France merely from motives of self-preservation, it seems to me that every intelligent man must concede that had not Great Britain entered the war when she did, and gone to the relief of France, la belle France would not be in existence to-day as an independent nation; she would have been wiped off the map. So that whatever injury Britain may have done to France at any time, she has paid her account in full.

We in Canada are descended on the one hand from the French and on the other from the English, and there is no reason why we should not stand side by side and make this a united and prosperous land. Let no barriers of race and creed stand in the way, but let us all work together to make this a nation of which we may be proud. I well remember in the early days of California that the best recommendation any man going into that country could have was the fact that he was a Canadian. His Canadian citizenship carried with it credentials which were at once accepted. He had been brought up in a place where the motto that honesty is the best policy had been constantly before him in the little schoolhouse and in his home. Canadians occupied very many of the responsible positions in California.

Just across from Victoria is the big city of Seattle, where a few years ago nine-tenths of the positions of responsibility were held by Canadians because they had been taught to be honest and had therefore qualities which appealed to the American people. That is one reason why we are allowed to go there to-day while other people are excluded.

Before I conclude I want to read the following resolution passed by the poultrymen in my district:

> That whereas, the present duty on eggs entering Canada is only three cents per dozen as compared with the duty of eight cents per dozen on eggs entering the U.S.A.;
>
> And whereas, the Canadian duty of three cents per dozen makes possible the import of U.S.A. eggs into Canada, particularly storage eggs and at some seasons of the year fresh eggs, thereby making it unprofitable for B.C. poultrymen to send their eggs to the prairie and eastern Canadian markets;
>
> And whereas, the duty of three cents per dozen is in the neighbourhood of approximately 12 per cent at present prices;
>
> And whereas, Canadian eggs are almost totally prevented from entering the U.S.A. by reason of the eight cent tariff;
>
> Be it therefore resolved:
>
> (a) That the federal government be requested, as an act of justice to Canadian poultrymen, to raise the tariff on U.S.A. eggs coming into Canada to an equality with the tariff imposed on Canadian eggs going into the U.S.A.
>
> (b) That the federal government be requested to make the Eggs Marks Act of B.C. applicable to the Dominion of Canada as a whole.
>
> And be it further resolved, that copies of this resolution be sent to Hon. W. R. Motherwell, Minister of Agriculture at Ottawa, the Hon. E. D. Barrow, Minister of Agriculture for B.C., and to each of the federal members for B.C., also to various co-operative and poultry associations throughout Canada, and to all poultry journals circulating in the Dominion.

What is there unreasonable in that application? It comes from the centre of the poultry industry of Canada. I can assure the government that these people are justified in seeking some protection against competition from the United States. Surely it is not too much to ask, and I hope that this government will see its way clear to give that protection.

With the permission of the House, Mr. Speaker, I beg to put on Hansard two other

resolutions of the same character as the one I have just read:

Whereas, under the Canadian-Australian treaty, eggs from Australia are allowed to enter Canada free of duty;

And whereas, under the Dominion of Canada grading regulations it is possible that eggs from Australia raised under summer conditions will be able to enter Canada as fresh eggs at a time when winter conditions prevail in Canada;

And whereas, this will increase the already serious competition which Canadian poultrymen have to meet from eggs from the U.S.A.;

Be it therefore resolved: that the federal government be requested to add to the present definition of the word "fresh" the length of time during which eggs intended for sale as "fresh" in Canada may be held when in transit at a temperature of 35 Fahrenheit, or less;

And be it further resolved, that copies of this resolution be sent to Hon. W. R. Motherwell, Minister of Agriculture at Ottawa, the Hon. E. D. Barrow, Minister of Agriculture for B.C., and to each of the federal members for B.C., also to the various co-operative and poultry associations throughout Canada, and to all poultry journals circulating in the Dominion.

Whereas, there is reason to believe that an effort will shortly be made by certain produce dealers in the prairie provinces to secure the modification of the present egg grading regulations, which modification amounts practically to the abandonment of egg grading;

Be it resolved: that the federal government be requested to make no alteration in the present regulations beyond the amendment asked for in resolution No. 2.

And be it further resolved, that copies of this resolution be sent to Hon. W. R. Motherwell, Minister of Agriculture at Ottawa, the Hon. E. D. Barrow, Minister of Agriculture for B.C., and to each of the federal members for B.C., also to the various co-operative and poultry associations throughout Canada, and to all poultry journals circulating in the Dominion.

Mr. GEORGE SPENCE (Maple Creek): I wish to add a few words of commendation to what has been said by previous speakers in congratulation of the Minister of Finance (Mr. Robb) on the splendid budget he has presented to parliament. I have briefly summarized the main features of that budget and I find that they consist of a reduction in the national debt of some $22,000,000; a reduction of $25,000,000 in taxation; substanial reductions in income tax, particularly in the lower grades; the abolition of the receipt tax; reductions and exemptions in the sales tax; automobile tariff cut to 20 per cent on cars of $1,200 and under, and to 27½ per cent on cars over that value; balance sheet showing $402,695,000 in our favour; British preference applicable to direct shipments through Canadian ports; and last, Mr. Speaker, but by no means least, the return on Dominion Day to penny postage. It is a budget for the common people. I shall refer to it more particularly in detail as I discuss certain questions which I now propose to bring before the House.

[Mr. Dickie.]

I feel like offering some apology, Sir, for engaging the attention of hon. members on matters of more or less local importance, but I would remind them that, not having spoken in the debate on the Address, this is perhaps the only opportunity I shall have this session of discussing these matters. I realize also that a private member has a responsibility to his constituency and that certain local problems affect the Dominion as a whole. Therefore I think it is his duty and privilege to bring his best judgment to bear on the solution of those problems.

I come, Sir, from a purely rural constituency in one of the oldest settlements of the province of Saskatchewan, the constituency of Maple Creek. At one time the greater part of my riding was open range, and the chief industry of the settlers was ranching. Following the inauguration of the great homestead policy there was a steady influx of settlers, which resulted in a large additional acreage of land being brought under cultivation. Now, like every other policy that is more or less of general application, mistakes were made under the homestead policy—mistakes by the government itself in the first place, and also by the settlers. The mistakes made by the government worked the greatest hardship, due to the attempt to apply the policy indiscriminately without regard to the varying conditions of soil and climate. This criticism applies not only to the particular constituency of Maple Creek, but also to the great bulk of southern Alberta. There are lands in my constituency, not very extensive, it is true, where farming has not been very much of a success. There is a small corner in the southwestern portion of Saskatchewan and a larger area in southern Alberta where the climate is rather inhospitable to the growing of spring grain, which is commonly understood to cover wheat, oats and flax.

For this and perhaps other reasons some of our settlers are in more or less financial difficulties. Quite frequently I get letters from settlers not only in the southwestern corner of my constituency but also from others in southern Alberta complaining that they are in arrears with the Dominion government on their pre-emptions, that their indebtedness is steadily growing, and that they are also behind with their payments on seed grain and other relief. There is

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no doubt that these people are a great asset to the Dominion. We are contemplating spending money on an empire settlement scheme and on other schemes to attract immigrants. We are also preparing to make a revaluation of the land

held by returned men. All these activities will I hope help to draw attention to the particular condition which I am now bringing to the notice of the House.

I am not prepared, Mr. Speaker, to state specifically what should be done, but undoubtedly this condition of affairs will have to be carefully inquired into and some action taken as early as possible. I have sometimes thought that a plan of amortization might be adopted, with provision to cancel payment of interest for a period of years. Perhaps something on those lines might be worked out. As I have said, we must do something to retain on the land these people who through misfortunes for which they are not responsible find it increasingly difficult to carry on. I am in hopes that the hon. Minister of the Interior (Mr. Stewart) will give this matter his favourable consideration. There is one thing I like about him: he is a practical man, he has been through the mill himself. Carlyle has said: Two men I honour, the horny handed son of toil, and the man who works for the moral uplift of his people. I feel like saying: One man I honour, the man who has been through the hard school of experience, the man who has been through the mill, the practical man. I have a great deal of confidence in the Minister of the Interior. He knows the problems peculiar to the west and the southwest portions of the prairie provinces, and he has worked with praiseworthy patience and diligence to solve not only the problem of soldiers' re-establishment, but also other perplexing questions which have engaged his attention since he entered the ministry.

There is another matter of importance to my section of the country. I am speaking more particularly now for the rancher, although what I am about to say applies to a lesser degree, but still to a very considerable degree, to the mixed farmer as well. As you know, Sir, we have a great asset in our natural grass. You can turn a steer or a cow out in the spring on the natural prairie grass and before the end of July that animal will be fit for the block. It is a wonderful national asset and adds a great deal to the wealth of the Dominion. Unfortunately, however, we are in what I might term a great inland empire, far from the markets of the world, and when we add the freight, the commission charges and the other tolls levied on that steer before it eventually reaches the markets of Europe, there is very little left for the producer. Therefore I say, Sir, the vital question with the live stock industry to-day is the question of markets. I am sure my hon. friend from Marquette (Mr. Mullins) will bear me out in this. I have listened with a great deal of interest to his observations on this question, for I look on him as a practical man, one whose opinion I value, although I am afraid he is not actively engaged in the business at the present time, but is rather what I might say feeding steers by proxy. Be that as it may, I think something must be done to enlarge our market. I have on my desk an article which is the substance of an address which was delivered before the agricultural societies at their last annual convention, and which is reprinted by the Grain Growers Guide of December 23. I understand that Mr. Tom King has given this matter very careful consideration, and I am going to give the conclusions he has reached, and then make a few observations drawn from my experience in the cattle business. He says:

> In 1911 the congress of the United States passed a statute which remained in force for eleven years. That statute proposed reciprocal free trade in cattle, at a nominal tax of one-quarter of one cent a pound on beef. During those eleven years parliament did not see fit to accept the proposal, which had been definitely rejected in 1911 by a vote of the Canadian people.

He goes on:

> But there was a second offer of reciprocity. In 1913 congress passed the Underwood tariff bill placing cattle and beef on the free list. That law remained on the statute book for eight years, and during all that time Canadian cattle went freely into the United States. During that eight years Canada maintained against all American cattle a tariff of 25 per cent ad valorem, and against American beef a tax of 3 cents a pound.

He continues:

> I am told that when the Fordney-McCumber tariff bill was before the Senate finance committee a rancher of the northern range argued that it might be a good thing to have no tariff barrier between the two countries, because in times of drought American cattle could be driven across the Canadian border. Someone asked him at once whether Canada would be willing to take off her 25 per cent ad valorem duty if the United States put cattle on the free list. He could not answer, and no one could answer for him. It is certainly my impression that at the time of which I speak it was touch and go whether the tariff should be continued or allowed to drop, and the weight that cast the balance was the fact that Canada was maintaining, and for fourteen years had maintained, a tariff of 25 per cent ad valorem against the importation of American cattle.

Then he explains the difficulty which Mr. Taft had in getting the reciprocal trade agreement through congress. I shall read only the essential parts of his remarks on that phase. Mr. Taft was indebted to a great man, Mr. Underwood, for the help which enabled him to pass the measure. Mr. King says:

> Mr. Underwood was at the time chairman of the House committee dealing with the matter. He said to his Democratic colleagues that the people of Canada had really never rejected reciprocity. He explained that

the reciprocity issue had been tangled up with party politics, and that much weight had been given the fact that a hard and fast bargain was provided for. Now, he said, we will give the Canadians all they would have gotten under reciprocity without demanding any price in advance, without asking for any bond, trusting to their commonsense to show some appreciation. Among other things he put upon the tentative free list for Canada to accept or reject wheat, flour, potatoes. He greatly lowered many duties on Canadian grains and dairy products, and when he came to cattle and beef he puts them on the free list absolutely. He was confident that the government of Canada could get for Canada all the benefits of reciprocity without losing their face. He expected that the Canadian duties against American products would be lowered to some extent. He took it for granted that cattle, at any rate, would be put on the free list. Yet in 1921 he told me that up to that time Canada had not shown the slightest appreciation of the very great benefit conferred upon her by the Underwood tariff law.

Mr. MULLINS: Would the hon. member permit American cattle to come into Canada provided the United States took their duty off and allowed our cattle to go over there?

Mr. SPENCE (Maple Creek): Yes, I would, and I would fortify that statement with another one; I do not think very many of them would come into this country.

Mr. MULLINS: For the information of the hon. gentleman, may I say that foot and mouth disease and all sorts of other diseases are rampant among American cattle, and in my opinion they should not be permitted to come in here and mix with our healthy herds.

Mr. SPENCE (Maple Creek): The hon. gentleman may know quite a bit about cattle, but he evidently does not know very much about our health laws. We have quarantine stations all along the border. I happen to have the advantage of my hon. friend there, in that I live right on the boundary.

But Mr. Speaker, it is no use crying over spilt milk. The thing has been done. But it is just as well to look at this question from the United States point of view as well as our own. Though it is no use crying over spilt milk, something should be done about the matter now. According to Mr. Underwood, and according to Mr. King, and I have no doubt that he is a great authority on this question, it was just a matter of touch and go whether the United States would put on that duty or not, and had we had any representative in that country at that time representing our stockmen, it is altogether likely that the duty would not have gone on. I am not prepared to say—well, yes, I think I will—I will go so far as to say that I think we should be represented at Washington by an ambassador, or a commissioner, or someone who would represent our interests. We have commissioners in almost every important country of the world, and if there is one place that is more important than another, it is surely the nation lying right to the south of us, where we have our natural market.

There is another feature of our ranching industry that requires a little attention, and that is the horse industry. We have in Saskatchewan approximately one million horses. Altogether in western Canada we have, I believe, over three million horses, and of that number one million represents the surplus for export. Some of these horses are rather small, what is known as the range horse or the broncho. We have no trouble at all as regards our domestic horses weighing from twelve to fourteen or sixteen hundred pounds. But there is very little demand for the small horse in our own country. I understand that an experiment has been carried out by the Minister of Agriculture in connection with the matter of the disposal of surplus horses. A trial shipment has been made to Europe, but up to the present I am not aware except in a general way as to how the experiment has turned out. I for one would be very much interested in knowing exactly what the result of that shipment has been. I should be very glad, therefore, if the Minister of Agriculture will make the report to be prepared on this subject available to every hon. member of the House. I have had one or two conversations with officials who were identified with this experimental shipment, and am credibly informed that it has met with some success and that there is a market in Europe for perhaps from five thousand to ten thousand horses annually. Now that is a very important thing. To be able to make such shipments would afford very material assistance to the horse-breeding industry in western Canada, and I think this experiment should be followed up by further work on constructive lines. I am not much enamoured of the idea that the government should undertake everything which may be needed for the people. I think perhaps there has been a tendency to go too far in that direction in the past, and that we have erred a little in that respect. But there is a bona fide assistance that a government can give the people which is perfectly legitimate; for it is a fact that we can help people to help themselves. The responsibility devolves upon a government to explore every possible avenue of relief. Having made the necessary investigation and arrived at certain conclusions it is then incumbent upon the government to make those conclusions available to the people. I should like to see this particular matter

followed up. I think that will be done in this case, having in mind the characteristics of the present Minister of Agriculture.

And here I must give the minister a word of commendation. I am glad he is in his seat, although if he were absent I should feel disposed to express my opinion more freely. I do not think that Canada has ever had a better Minister of Agriculture than the gentleman who now administers the department. I can say with perfect truth that the Minister of Agriculture enjoys the confidence of the organized stock-breeders of this country. He has championed and carried to a conclusion, since he assumed the administration of his department, some very important things. It was largely, in fact I may say almost entirely, through his efforts, that oleomargarine was excluded from Canada. It has been through his efforts that the grading system has been developed to its present state of perfection. A number of hon. gentlemen opposite have made some rather disparaging references to the Minister of Agriculture, but these do not reflect the sentiments of the Canadian people. The latter appreciate what the minister has done in their behalf, and I do not exaggerate when I say that in any future history of Canada the minister's name will occupy a prominent place.

Coming now to deal with the farm, particularly the grain farm, I may say that there are in my particular section some of the very largest grain farms in western Canada. I am sorry I cannot altogether agree with the hon. member for Marquette in the statement that he could see no good at all in wheat farming.

Mr. MULLINS: May I set the hon. gentleman right? I never made any such statement.

Mr. SPENCE (Maple Creek): I am very glad to have the hon. gentleman's denial. Wheat growing is a stage of development in our great western country, it is the first stage of development. The pioneer goes and locates on the prairie. He builds his little sod shack. He is a man without capital; all he has is his muscle and a desire to win. He goes in there and he does what is quite natural; he follows the course of least resistance. He sows flax, or he sows wheat, and from the proceeds of that crop he establishes himself. But gradually, slowly—perhaps more slowly than some of us would like to see—the process of mixed farming is being adopted. Agriculture is being built up year by year on a more sound and permanent basis as the result of the keeping and feeding of live stock. In Saskatchewan we had 100,000 acres seeded to corn last year, a fact which may be rather a surprise to hon. gentlemen in this chamber. As I have said, field crops, particularly wheat, are a very important contribution to the prosperity of Canada. Now, we have in Saskatchewan an organization which, as a single unit, is perhaps one of the greatest organizations to be found anywhere in the world.

An hon. MEMBER: Political?

Mr. SPENCE (Maple Creek): I will tell my hon. friend about that. We have a marketing organization known as the wheat pool. Affiliated with it are two other units, the Alberta pool and the Manitoba pool. The three are amalgamated in selling the wheat of the growers of western Canada through a central office. There are something like 100,000 growers in these organizations who will market this year 200,000,000 bushels of wheat. Just think of it! I am speaking of this because I wish to show that we have been leaving no stone unturned in the direction of putting our business of farming on a sound economical basis. We have organized ourselves in such a way that we have to a great extent eliminated much of the waste and inefficiency in distribution. Thanks to the services of our various activities, governmental and otherwise, we have been able to put our production on a very high plane indeed. It is only quite recently that we were able to follow that work up by putting our system of distribution on the same basis also. Now that work is going on, and to-day I do not know of a single farm commodity that is not marketed in that way. We have the wheat growers; the live stock men are organized; the poultry and egg producers; in fact, as I have already said, commodity organization is applicable to every farm commodity. We have been unremitting in our efforts to benefit our condition and have had marked success. Thanks to a beneficent Providence we have had for the last three or four years good crops which we have been able to market at good prices. The hon. member for South Wellington (Mr. Guthrie) saw fit recently to make an allusion in that regard and perhaps I may be permitted to read exactly what he said:

> I say that Providence has blessed Canada during the past season with a wheat yield in the western provinces unsurpassed both in quality and quantity, a yield which is to-day commanding a good price in the markets of the world and this fact constitutes the most important feature of our commercial success.

I am glad that the hon. member referred to that matter and stated that the crops, particularly wheat, and agriculture as a whole, gave the greatest contribution to our com-

mercial success. When I come to the point, I wish to relate the great business of agriculture to the industries of manufacturing and mining. I think perhaps agriculture has not been brought forward in this House to such an extent as its importance demands. In my own province of Saskatchewan we have, roughly, $300,000,000 coming in from our wheat crop alone, and about one-half billion, in round figures, for all field crops. We have one billion and a half dollars coming into Canada as a whole from all agricultural products. An enormous amount of money comes pouring into the country in payment for the products of the land. We have three million people engaged in agriculture. We have the enormous amount, approximately, of three billion and a half dollars in actual money invested in the land in the western provinces. I am sometimes inclined to smile a little when I hear my hon. friends talking about industry and its importance. They speak of some shoe factory employing a few hundred men, or some automobile manufacturer employing a few thousand men, and turning out a few hundred thousand dollars worth of automobiles. It may not be common knowledge to hon. members of this House, but our dairy industry alone is worth more than the products of all the mines, gold and silver, and all the oil and gas wells in Canada. The amount of money received from dairy products exceeds the products of the mines and wells by a hundred million. The old brindle cow, chewing her cud on the farm in Saskatchewan, represents more wealth than all these other industries I have referred to.

Mr. MANION: Does the hon. member not mean the old brindle cow in Ontario?

Mr. SPENCE (Maple Creek): I mean the brindle cow, no matter where she is. I have referred to the volume of business, and I wish to speak now in regard to its quality. I am proud to be able to tell this House that in fifteen international exhibitions we won eleven sweepstake prizes for our hard spring wheat. At the International show, in Chicago, we have won prizes with our cattle and horses, and I think our quality of production along some lines has been on a par with the quantity. To give the House an idea of the contribution our province has made to the wealth of the country, I may say that the proportion of registered wheat for all Canada was 49,000 bushels, and Saskatchewan's share in that registered hard wheat was 30,000 bushels. We have found a market for registered wheat in the distant Argentine. We sent 2,000 bushels to the United States notwithstanding a duty of 42 per cent. I would like to see a trade commissioner or an ambassador appointed to Washington, to represent the interests of the grower of high grade registered wheat as well as to look after the interest of the live stock man. There is a demand for high grade spring wheat in the United States, and the fact that we can sell two car loads in spite of that high duty clearly indicates that there is a demand for it.

This leads me to the point where I will briefly touch upon the fiscal policy of the Dominion of Canada. As a result of our great agricultural development coupled with the fine exhibits of Canadian products in other countries, 60 per cent of our exportable wealth is represented by agriculture. Someone says, "We are going to protect industry." The right hon. leader of the opposition (Mr. Meighen) has said—and I listened very carefully to what he said—"We will build agriculture into the protected structure of industry." That is a nice mouth filling phrase but that is about all it is. It simply cannot be done. Here you have a golden harvest of wheat pouring out during the marketing season, miles and miles of trains running day and night, employing hundreds of thousands of men, you have ships coming into the harbours of our principal sea ports to load with the wheat which is carried to Europe, and which is selling there in competition with the whole wide world. That source of revenue is equal to three-quarters of a billion of wealth in gold to this Dominion, and that gold, as a result of the production of that wheat, is coming into Canada. To make my point clear I will give the House a little illustration. I lived in the Yukon country, the Klondyke, for three years. Our banner year of production in gold was $24,000,000. Men were very anxious to go to the Klondyke, and if you are able to go over the trail to-day you will see bleaching on the hillside the bones of those who tried to get there and could not. Our banner production was $24,000,000 in one year, and it dwindled down to $2,000,000 or $3,000,000. In the section of Saskatchewan from which I come there is a line of railway 100 miles long, and during the last six years taking the average, we shipped a million and a half dollars worth of grain at every shipping point, these shipping points being only seven or eight miles apart. That meant that that amount of money was coming into that section of the country. That line goes through the constituency of the hon. member for Willow Bunch (Mr. Donnelly) and my own constituency. I wonder where the money goes

to. It is a veritable Klondyke; yet no one is rushing to get there. No one is leaving his bones bleaching on the prairie in an effort to get there. It is not a spectacular thing, but it goes on year after year, and we are not mining it all out at once; it is a potential source of wealth that appears to be inexhaustible. The fertility of our soil is a great natural resource and, I repeat, agriculture is the greatest central factor in Canada to-day and you cannot protect it. We hear talk about building agriculture into the protected structure of industry. Here we have this great arch, this great keystone, and hon. members are going to fit it into a little footbridge. "Brick for brick," our hon. friends of the opposition say: "brick for brick," the leader of the opposition (Mr. Meighen) says, "brick for brick"! Not even as good a bricklayer as the hon. member for Portage la Prairie could build that kind of brick into the protected structure of industry. It is not a brick, it is the corner stone, and the stone that this builder—the right hon. leader of the opposition—has rejected is yet the head of the corner.

Our policy must be one for wider markets, for world markets. The domestic, the home market, means very little to us. The previous speaker referred to what we could do in the way of finishing products at home, but I have listened to that old chestnut before. How are we to finish our steers at home? We can picture ourselves with a row of sausage factories extending all the way from Calgary to Halifax! It would require a population of fifty million people to consume the cattle we are raising in this country at the present time.

I did not speak on the Address, and during all the debate that has taken place in the last two or three months, I have listened carefully, I might almost say with painful interest sometimes. I have come to the conclusion that we are being gradually forced into a false position. It has been stated that the government are doing certain things for certain people, particularly for western Canada; that they are building the Hudson Bay railway for western Canada; that they are lowering the tariff for western Canada and for Saskatchewan particularly. That assertion has been made. I want to offset it with this argument, that the only thing the farmer gets with which to buy the necessities and luxuries of life and to support himself on the land is his margin of profit between the cost of production and the price he ultimately gets in the markets of the world. Anything that will tend to lower that cost of production confers a benefit on agriculture, and anything that confers a benefit on agriculture confers a great benefit on Canada.

Let us not take things out of their proportion. Let us consider things in their order; let us put first things first. We are not asking for the Hudson Bay railway because we are going to get some particular thing out of it. That railway is going to be built because it will be a means towards cheapening our production. We want rural credits for the same reason. If we can get money a little cheaper, our cost of production will be lowered. If we can get our wheat on the markets of the world cheaper, our cost of production will certainly be lowered. If we can get our ploughs, harrows, wagons and other implements of production cheaper, our cost of production will be lowered and we shall have more for distribution, more with which to buy automobiles on which the tariff has been lowered, and more with which to buy necessities and some luxuries maybe. As I have said, it is this balance that affects prosperity in Canada, which makes the wheels of the factory go round, which keeps the bankruptcy sign out of the show windows of our places of business, which keeps the balance of trade on the right side of the ledger, which keeps the man on the land and which will attract other people to the land.

I have a great deal of material in connection with the period through which we have passed. Along with others, I was one of the victims of that howl of blue ruin that went to high heaven during the election campaign preceding October 29 last. I do not object to gentlemen propounding their doctrines, because that is what we are here for. I am here to convince hon. members if I can that the farmer must have his raw material at the lowest possible cost, and therefore I want duties lowered on farm implements and all other material that enter into the production of farm commodities. That is my philosophy. I have no particular objection to offer if hon. gentlemen differ with me in that; I am prepared to discuss the question with them without resorting to personal abuse.

Personal abuse is not argument. We have been called the "cubs"; one of us has been called the "crown prince"; we have been called "reds" and "annexationists," and the leader of the opposition called us the "Saskatchewan colony."

As regards our being Reds, it is only necessary to answer that argument by saying that we own property. Did you ever see a Red who owned property? I never have. As regards our being a colony, the leader of the

opposition who made the remark was pretty much in a colony himself when there were six out of the nine provinces in which he did not have a single representative. If we are a colony, we are growing in size and importance and I am glad our hon. friends recognize that. I do not object to hon. members propounding their philosophy, but I object to the manner in which they do it—crying blue ruin, and then criticizing the government about not being able to bring people into this country. I have in my hand the trade returns of every important institution in Canada; I am not going to bother reading them to the House because a great deal of it has already been put on Hansard and the hour is getting late. But I can show that bankers' associations, great financial institutions, presidents of railway companies, all tell the same story that we are around the corner and getting along splendidly.

I have come to Ottawa to resist this policy of high protection and I am going to resist it with all the ability which I possess. I believe this country can grow and prosper only if agriculture is prosperous. As regards the effect on industry in general, when we have a bad crop in western Canada, it is well known how blue and pessimistic people in the east get. The great financial institutions of eastern Canada to-day have their foundations laid right on the western prairies.

There is another fault which I have to find with hon. gentlemen opposite who propound their philosophy of high protection. High protection establishes industry on the artificial basis of legislation, rather than on the basis of natural products which enter into the manufacture of commodities. Iron, coal and proximity to markets are the chief factors in industrial development. And when you introduce the element of protection you add something that is uncertain. Any industry that cannot stand on its feet merely because the tariff has been lowered to the small extent of seven and a half per cent does not deserve to exist.

Mr. MORAND Is the hon. member in favour of removing all tariffs on goods coming into Canada?

Mr. SPENCE (Maple Creek): Not necessarily.

Mr. MORAND: How about shoes and clothing?

Mr. SPENCE (Maple Creek): I am not at the moment discussing shoes and clothing, but farm machinery.

Mr. MORAND: Only farm machinery?

Mr. SPENCE (Maple Creek): I am discussing the raw materials that enter into the finished product of the farm. The manufacturers want their raw materials free. Now, I will ask the hon. member when he addresses the House to define the term "raw material." Just what does he understand raw material to mean? What is one man's finished product is another man's raw material, so that the binders, ploughs, wagons and even motor trucks and motor vehicles which the farmer requires are to him only raw materials.

Mr. MORAND: Do not the farmers wear shoes and clothing?

Mr. SPENCE (Maple Creek): Yes, some of them at any rate.

Now, coming back to the budget, I have this observation to make in regard to the reduction in the duty on automobiles. In the daily press I read headlines to the effect that this and that factory has suspended operations and that the workmen will be turned out on the street. This virtually amounts to a threat to the parliament and the people of Canada, and if that sort of thing continues I would suggest that we reduce the duty still further. I am not a lawyer and therefore do not know whether we have any power in the matter, but in my opinion we should have an investigation into the books of these gentlemen.

Mr. LADNER: Will the hon. member explain why the subject was not referred to the tariff commission which the government proposes to have investigate this matter?

Mr. SPENCE (Maple Creek): There are things which a child can understand. We two million people in western Canada are not all fools. Nor are the people fools in eastern Canada, and we all believe that the automobile manufacturers have been enjoying altogether too much protection. They have abused the privilege.

Mr. LADNER: Does the hon. member suggest that he understands the situation himself?

Mr. SPENCE (Maple Creek): I do. Let me say for the information of my hon. friend that I believe in a tariff board.

An hon. MEMBER: What for?

Mr. SPENCE (Maple Creek): Let me finish what I am saying. I look on the tariff a good deal as a medical man would look on a patient. The patient is exceedingly ill and the doctor upon examining him finds that his heart has almost stopped. He administers just a drop of brandy.

Some hon. MEMBERS: Oh, oh.

Mr. SPENCE (Maple Creek): This apparently pleases hon. gentlemen. He administers a drop of brandy; the patient revives, and thereafter the proper remedies are applied. In time the patient gets well. This was a skilled physician who knew what to do. In the same way there are times when perhaps a little protection in tariff matters may nurse an industry over a difficult period. And that is perfectly all right. But suppose to take the illustration I have just given, the physician had been unskilled and had given the patient the bottle. What would have happened? Like our manufacturers of automobiles, he would have become totally intoxicated instead of recuperating into a healthy state.

Every article smuggled into Canada is more or less a protest against the protective tariff. We are having considerable difficulty in the matter of smuggling and this could easily be stopped by putting such articles as are smuggled on the free list. The trouble is that protection interferes with trade, and there is no kind of interference that I know of that does not interfere. If you interfere here you are bound to interfere there to equalize things. The leader of the opposition (Mr. Meighen) to whom I am almost afraid to refer seeing that he has been so often misquoted and misunderstood, has said that he would build a tariff on the principle of retaliation. If other countries put up a tariff against us he would do the same.

An hon. MEMBER: Hear, hear.

Mr. SPENCE (Maple Creek): Someone says, hear, hear. Well, the principle, in my opinion, is quite false. To build a tariff on the principle of retaliation is to maintain a policy of war. If we are to have a tariff at all we must take into consideration the natural physical conditions of the country.

I have tried this afternoon, not very well, I fear, to emphasize the importance of the great agricultural industry of this country and have endeavoured to show that it is the keystone of the arch of our national success. The first thing that must be taken into account in estimating Canada's progress is the extent of her agricultural exports. It was manifestly stupid of us to maintain a tariff against American cattle while ours were free.

Mr. ROWE: In view of the fact that Saskatchewan is keenly interested in the dairy business, does the hon. gentleman think that a little retaliation in the fixing of duties on dairy products coming from the south would be beneficial to dairymen in the west?

Mr. SPENCE (Maple Creek): Not a bit. Now, let me proceed. In Saskatchewan we have been doing things in a big way economically and politically. We have been accused of dominating the government, and it is said that we have a concentrated press. I do not know what is meant by this, but we certainly have a press that fairly well reflects the political philosophy of our people. If, however, my hon. friends opposite have any particular grudge against the existing press of Saskatchewan, that grudge will soon be removed, for their party is to have a paper of its own. I have here an advertisement with this announcement: "Conservatives, attention!" Then there appears the intimation, "New Conservative Daily Newspaper for Saskatchewan." I will subscribe for this prospective paper, and keep informed on the new "brick for brick" policy. It is always dangerous to be a prophet, and I am a little surprised that the right hon. leader of the opposition has fallen into that error. In one of his speeches he said that this government "dare not" reduce the tariff, that they would not have the courage to do so. Well, we see what has happened. I repeat, this is a budget for the common people, and perhaps never since confederation have so many concessions been made at one time to the man in the street and to the man in the field—in a word, to the working classes.

I have nothing to do with ancient traditions. I do not browse among the musty volumes of constitutional and political history. Nor do I wish to go to Rome to see what the Romans did. We are living in the palpitating present, we are interested in Canada and her problems, and we cannot solve those problems by theorizing on something that happened in the dark ages. We have on the front benches of this House a group of practical men, men who have been on the land and who understand the problems of the common people. To those men I look for a solution of many of our national problems because they are practical men. I have every confidence that we will be able to carry on in a spirit of co-operation and so help to build up and develop this great country.

From the other side of the House, Mr. Speaker, we and our friends of the Progressive party have been taunted with "bargain-making," and our Progressive friends have been accused of "selling" themselves to the government. Apparently our good Tory friends can-

not understand the Liberals and Progressives co-operating to carry on the affairs of the country because we fought each other in the last election. Well, I confess I was not on kissing terms with my opponent in Maple Creek, and I was perhaps instrumental in his not being returned to represent this constituency, for I think he would have defeated the Tory candidate in a straight fight. But I do know that the Progressive party are supporting the government to-day because they believe in the same policies that we believe in, and while they may not love us for opposing them in many constituencies last October, yet they think more of their principles than of any petty differences occasioned during an election. In western Canada we had a kind of political civil war, and I do not think our friends of the Conservative party should be so critical, because undoubtedly many of their candidates were elected in the three-corner fights as a result of this war.

I am not particularly interested in making Canada black. I am chiefly interested in keeping it green, in seeing the great open spaces of the west dotted with the homes of happy, contented people living on the land, rather than in large industrial centres where influence and wealth are centralized. It is said that Canada is a difficult country to govern. It is not. We have no race problem, we have not a religious problem, we have no enemy camped on our doorstep. In my opinion Canada is an easy country to govern, but it will not be if you attempt to govern it from Montreal, Toronto and Hamilton. But Canada is a difficult country to develop because of its far-flung dimensions, because of its sparse population and, to a lesser extent, because of its rigorous climate. The problems of government cannot be made any more easy by prejudice or by abuse. We were sent down here to discuss in a statesmanlike way our great national problems, and I for one am willing to sit down to that discussion without prejudice and without malice and in a spirit of tolerance and co-operation, for I am convinced that it is only in such a frame of mind that we can reach a solution of those problems that will enure to the greatness of this Dominion.

Mr. BRISTOL moved the adjournment of the debate.

Mr. MANION: I wish to ask a question of the Minister of Finance (Mr. Robb) before the House adjourns. I see by the papers there is some talk of changes in the tariff.

[Mr. George Spence.]

Mr. ROBB: Mr. Speaker, I am no more responsible to-day for newspaper talk than I was prior to October 29.

Mr. LAPOINTE: Those are Tory dreams.

Motion agreed to and debate adjourned.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, April 22, 1926.

The House met at three o'clock.

PENSION FUND SOCIETIES—CHANGE OF NAME

On the order:

First reading of Bill No. 24 (from the Senate), to provide for changing the names of certain pension fund societies.

Hon. J. A. ROBB (Minister of Finance): Who is the promoter of this bill?

Mr. SPEAKER: Mr. Mercier (St. Henri).

Mr. MEIGHEN: Let him explain it.

Mr. ROBB: I think we should have some explanation of this.

Mr. PAUL MERCIER (St. Henri): The bill provides for changing the names of certain pension societies, providing that at a special general meeting, or at any general meeting, a by-law or a resolution to effect the change has been passed by a majority of at least two-thirds of the vote cast at the meeting by the contributories to the funds or members of the society, including the parent corporation, the whole subject to the approval of the Secretary of State of Canada.

Mr. MEIGHEN: How is it the hon. member's name does not appear on the order paper?

Mr. MERCIER (St. Henri): I was asked to be sponsor for the bill and so informed the Clerk of the House. The omission of my name must be due to some misunderstanding.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS

Bill No. 25 (from the Senate), for the relief of Elizabeth Gertrude Orr.—Mr. Lennox.

Bill No. 26 (from the Senate), for the relief of Melville James Andrews.—Mr. Duff.

Bill No. 27 (from the Senate), for the relief of Harry Reginald Oddy.—Mr. Jacobs.

Bill No. 28 (from the Senate), for the relief of Mildred Roxie Horner.—Mr. Lennox.

Bill No. 29 (from the Senate), for the relief of Frances Muriel Burnet.—Mr. Geary.

Bill No. 30 (from the Senate), for the relief of Ada Toms.—Mr. McClenaghan.

Bill No. 31 (from the Senate), for the relief of Vera Sanderson.—Mr. McClenaghan.

Bill No. 32 (from the Senate), for the relief of Noel Leslie Deuxbury.—Mr. Bell (Hamilton).

Bill No. 33 (from the Senate), for the relief of Lillian May O'Reilly.—Mr. Arthurs.

Bill No. 34 (from the Senate), for the relief of Jean Victoria Dillane.—Mr. Lennox.

Bill No. 35 (from the Senate), for the relief of Ethel Alberta Barker.—Mr. Arthurs.

Bill No. 36 (from the Senate), for the relief of Annie Hazel McCausland.—Mr. Jacobs.

Bill No. 37 (from the Senate), for the relief of Sterling LeRoy Spicer.—Mr. McClenaghan.

Bill No. 38 (from the Senate), for the relief of Amy Bell Corney.—Mr. Bell (Hamilton).

Bill No. 39 (from the Senate), for the relief of David Frank Crosier.—Mr. Bell (Hamilton).

Bill No. 40 (from the Senate), for the relief of Ethel Gildea Nye Brown.—Mr. Duff.

Bill No. 41 (from the Senate), for the relief of Edward Thomas Faragher.—Mr. Peck.

Bill No. 42 (from the Senate), for the relief of Bertha Viola Lidkea.—Mr. McClenaghan.

Bill No. 43 (from the Senate), for the relief of Mike Ayoub (otherwise known as Michael Ayoub).—Mr. McClenaghan.

Bill No. 44 (from the Senate), for the relief of Alice Marion McGinley.—Mr. Garland (Carleton).

Bill No. 45 (from the Senate), for the relief of Harold Edgar Perinchief.—Mr. Garland (Carleton).

Bill No. 46 (from the Senate), for the relief of Hendel Tuerner Lubrinetsky.—Mr. McClenaghan.

Bill No. 47 (from the Senate), for the relief of Paul Hugh Turnbull.—Mr. Garland (Carleton).

Bill No. 48 (from the Senate), for the relief of Helen Elby Pollington.—Mr. Mewburn.

Bill No. 49 (from the Senate), for the relief of Alexander Stewart.—Mr. Harris.

Bill No. 50 (from the Senate), for the relief of William Melville Moore.—Mr. Casselman.

Bill No. 51 (from the Senate), for the relief of John Samuel Milligan.—Mr. Anderson (Toronto High Park).

Bill No. 52 (from the Senate), for the relief of Marion Richardson.—**Mr. Jacobs.**

Bill No. 53 (from the Senate), for the relief of Isadore Boadner.—Mr. Jacobs.

Bill No. 54 (from the Senate), for the relief of William Albert Thomas.—Mr. Casselman.

Bill No. 55 (from the Senate), for the relief of Gertrude Isabel Clark.—Mr. Church.

Bill No. 56 (from the Senate), for the relief of Helen Seymour O'Connor.—Mr. Casselman.

Bill No. 57 (from the Senate), for the relief of Yetta Selma Trachsell.—Mr. Wright.

Bill No. 58 (from the Senate), for the relief of Alexander Dewar.—Mr. McClenaghan.

Bill No. 59 (from the Senate), for the relief of Florence Burrell.—Mr. Jacobs.

Bill No. 60 (from the Senate), for the relief of Edith Marion Byam.—Mr. Lennox.

Bill No. 61 (from the Senate), for the relief of Charles Davidson.—Mr. Jacobs.

Bill No. 62 (from the Senate), for the relief of Doris Selina Irvin.—Mr. Jacobs.

Bill No. 63 (from the Senate), for the relief of Frank John Davis.—Mr. McClenaghan.

Bill No. 64 (from the Senate), for the relief of John Norman Smith McMurray.—Mr. Charters.

Bill No. 65 (from the Senate), for the relief of Archie Claire McIntyre.—Mr. Duff.

Bill No. 66 (from the Senate), for the relief of Mabel Elizabeth Harcourt.—Mr. Bell (Hamilton).

Bill No. 67 (from the Senate), for the relief of Louise Gordon Pook.—Mr. Bell (St. Antoine).

Bill No. 68 (from the Senate), for the relief of Ezillah Harriet Cole.—Mr. Stinson.

Bill No. 69 (from the Senate), for the relief of Gertrude Burnside.—Mr. Kay.

Bill No. 70 (from the Senate), for the relief of Cora Mae Murray.—Mr. Goodison.

Bill No. 71 (from the Senate), for the relief of Janet Thornhill Gorrie.—Mr. Anderson (Toronto High Park).

Bill No. 72 (from the Senate), for the relief of Lillian DuBord Bulloch.—Mr. Jacobs.

Bill No. 73 (from the Senate), for the relief of Henrietta Schierholtz.—Mr. McClenaghan.

Bill No. 74 (from the Senate), for the relief of Maude Elizabeth Gilroy.—Mr. McClenaghan.

Bill No. 75 (from the Senate), for the relief of Richard Howard Buckley.—Mr. McClenaghan.

Bill No. 76 (from the Senate), for the relief of William George Darlington.—Mr. McClenaghan.

Bill No. 77 (from the Senate), for the relief of Arthur Watson.—Mr. McClenaghan.

Bill No. 78 (from the Senate), for the relief of Frances Marjorie Warren.—Mr. McClenaghan.

Bill No. 79 (from the Senate), for the relief of Charles Douglas Palmer.—Mr. McClenaghan.

Bill No. 80 (from the Senate), for the relief of Beatrice Isobel Lamontagne.—Mr. McClenaghan.

Bill No. 81 (from the Senate), for the relief of Jane Johnston Mitchell Wells.—Mr. Geary.

Bill No. 82 (from the Senate), for the relief of Jeremiah Gibbs.—Mr. Mewburn.

Bill No. 83 (from the Senate), for the relief of Caroline Elizabeth Risbridger.—Mr. Mewburn.

Bill No. 84 (from the Senate), for the relief of Cassie Woodley.—Mr. Church.

Bill No. 85 (from the Senate), for the relief of Isabella Freeman.—Mr. Harris.

Bill No. 86 (from the Senate), for the relief of George Guthrie.—Mr. Stewart (Leeds).

Bill No. 87 (from the Senate), for the relief of Lily Stead.—Mr. Mewburn.

Bill No. 88 (from the Senate), for the relief of Alice Grace Hopkins.—Mr. Mewburn.

Bill No. 89 (from the Senate), for the relief of Vera Catherine Searle.—Mr. Ladner.

Bill No. 90 (from the Senate), for the relief of Sidney Charles Frost.—Mr. McClenaghan.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HISTORIC SITES AND MONUMENTS BOARD

Mr. FOSTER:

1. What is the total amount of appropriations and expenditures by Historic Sites and Monuments Board to 31st of December, last?

2. How much was expended in (a) Ottawa, (b) New Brunswick, and (c) Nova Scotia?

3. Who is the government representative on the board?

4. Previous to his appointment, had he been a lecturer or author of history?

5. If not, what were his qualifications for a work that demanded intimate knowledge of the history of the eastern provinces?

6. Previous to commencing the work of erecting monuments in the Maritime provinces, did he consult with any of the descendants of the loyalists or the pre-loyalists, or any authorities in history of the Maritime provinces? If so, whom?

7. Has not the Nova Scotia Historical Society, the Grand Pre Historical Institute and the New Brunswick Historical Society condemned his procedure?

Hon. Mr. STEWART:

1. The moneys available for historic sites form part of the general appropriation for the Canadian National Parks. The total expenditure from April 1, 1919, to December 31 last was $88,407.87. This was expended by the Department of the Interior. The Historic Sites and Monuments Board acts in an advisory capacity to the Department in respect to historic sites work.

[Mr. Mercier.]

2. Expenditure at Ottawa, $25,274.62. This includes salaries, travelling expenses of members of the board, printing annual reports, pamphlets, posters, etc., books, photographs and photograph supplies, subscriptions to publications, survey expenses, express, freight, making of design and models of the standard tablets, inspection of finished tablets, road indicators and such. Expenditure in Nova Scotia, $6,212.89; expenditure in New Brunswick, $5,557.24.

3. J. B. Harkin, Commissioner, Canadian National Parks, Ottawa, appointed in 1919.

4. No.

5. Answered by No. 3.

6. He consulted with the members of the board.

7. The Grand Pre Women's Institute have raised certain objections to the cairn design of memorial. The department has no information regarding the attitude of the Nova Scotia and New Brunswick historical societies concerning the procedure of the department in marking and preserving historic sites in the Maritime provinces.

EDMONTON ELEVATOR

Mr. GARDINER:

1. How many bushels of wheat of each grade was taken into the government elevator at Edmonton for the crop year 1924-25?

2. How many bushels of each grade was shipped out of the same elevator for the same crop year?

3. What was the total amount of overage of wheat (if any) at the government elevator at Edmonton for crop year 1924-25?

4. How many tons of screenings were sold and what was the amount of cash received for same?

Hon. Mr. ROBB (For Minister of Trade and Commerce):

1.

Wheat 1924-25

Grade	Receipts
Dried 1 Northern	4,588-10
Dried 2 Northern	11,883-40
1 Northern	178,380-20
2 Northern	331,902-10
3 Northern	664,859-10
No. 4	334,105-40
No. 5	191,397-40
No. 6	91,466-40
Feed	36,077-00
Rejected	8,702-30
Smutty	3,180-30
No Grade	86,653-50
Special Bin	1,392-00
Rejected Heated	2,965-50
Rejected Heated and Musty	971-30
Condemned Heated and Heating	—

Wheat 1924-25

Grade	Receipts
Condemned No. 2	1,401-30
Condemned Heated	904-00
No. 3 Dicklow	879-40
NG Musty Heated	—
Total	1,951,611-50

2.

Wheat 1924-25

Grade	Shipments
Dried 1 Northern	—
Dried 2 Northern	4,139-00
1 Northern	178,380-20
2 Northern	323,540-30
3 Northern	657,760-00
No. 4	274,070-30
No. 5	191,397-40
No. 6	89,165-20
Feed	35,288-30
Rejected	7,033-50
Smutty	2,532-30
No Grade	86,654-00
Special Bin	1,392-00
Rejected Heated	2,468-00
Rejected Heated and Musty	656-10
Condemned Heated and Heating	—
Condemned No. 2	1,401-30
Condemned Heated	904-00
No. 3 Dicklow	879-40
NG Musty Heated	—
Total	1,857,663-30

3. 1,012.20 bushels.

4. Approximately 318 tons; cash received for same, $4,488.45.

SIX NATIONS INDIAN RESERVE

Mr. SENN:

1. When did the Department of Indian Affairs commence to use the interest money of the Six Nations Indians to build roads through that reservation?

2. What amount of money was spent in building these roads in 1924-25, in 1925-26?

3. How many miles of road have been completed?

4. Is this work under the supervision of the Six Nations council?

5. Is the work being done by contract or by day labour?

6. Are there any white men employed in this work? If so, how many?

7. Who engages the men and teams necessary?

8. Where is the building material obtained?

Hon. Mr. STEWART:

1. For necessary roadwork in the reserve the interest funds of the Six Nations have always been available and utilized.

2. 1924-25—$2,228.48; 1925-26—$13,164.59.

3. 4¾ miles completed; 4½ additional miles ditched and graded.

4. No.

5. Day labour.

6. One—a supervising engineer.

7. The Indian superintendent in co-operation with the Indian foremen.

8. Gravel is obtained on the reserve when readily available; but elsewhere when more economical.

ONION LAKE OFFICIALS

Mr. DAVIS:

1. Was Wm. Robinson, of Paranteau poll Athabasca fame, recommended for the position of farm instructor at the Indian reserve at Onion Lake?

2. If so, who recommended him?

3. Has one T. J. Slater been appointed as farm instructor at Onion Lake agency?

4. If so, did he occupy this position on a previous occasion?

5. Was he discharged or compelled to resign? If so, why?

6. What is his age?

7. What are his qualifications?

Hon. Mr. STEWART:

1. William Robertson (not Robinson) was an applicant for the position of farm instructor at the Indian reserve at Onion Lake.

2. Unknown.

3. Yes.

4. Yes.

5. Resigned voluntarily.

6. Unknown.

7. Experience as farmer and previous experience as farm instructor.

CENTRAL EXPERIMENTAL FARM—DEATHS OF ANIMALS

Mr. DAVIS:

1. How many head of cattle, horses, sheep and swine died at the Central experimental farm, Ottawa, during the year ending March 31, 1926, and what was the nature of their ailments?

2. How many of these were registered animals?

3. What was their total value?

4. Was a qualified veterinarian called in attendance in the early stages of sickness in each case and given complete control?

5. If not, who treated the animals in those cases where no qualified veterinarian was called?

6. What qualifications does this man possess to enable him to prescribe intelligently for live stock in this condition?

7. Why was no veterinarian called in certain cases?

Hon. Mr. MOTHERWELL:

1. Cattle, nine: Mature cows, three; one, abscess in kidney; one, septicemia of udder; one, autointoxication, following parturition. Calves, 6: (Only one over a week old), one, pnuemonia; one pyemic arthritis; four, malpresentation and consequent flooding before delivery; (maximum number on hand during year, 295 head).

Horses, two: (Grade geldings twelve and ten years of age),one, ruptured stomach; one azoturia; (Maximum number on hand during year, 35 head).

Sheep, forty-three: Mature animals twelve; four, lightning on range; two, heat prostration; one, acute indigestion; five, general debility due to age. Lambs, thirty-one; eighteen, born dead or died within a few hours from goitre; thirteen, died of goitre and wool balls in stomach, caused by abnormal appetite, consequent on slight goitre infection. (Maximum number on hand during year, 370).

The foregoing losses in lambs was due to an outbreak of goitre in 1925, the first in the history of the flock. This trouble has been controlled in 1926 by potassium iodide treatment, there being no lambing losses in 1926.

2. Sixteen.

3. $2,080.

4. Yes, except still-born calves and goitred lambs; (1) qualified practising veterinarians or (2) veterinary pathologists of the Health of Animals branch.

5. Answered by No. 4.

6. Answered by No. 4.

7. Answered by No. 4.

SOLDIER SETTLEMENT LANDS PURCHASED

Mr. WARD:

1. What lands in township 17, range 9, west of the first meridian, and in townships 17, 18 and 19, range 10, west of the first meridian, were purchased by the Soldier Settlement Board?

2. What was the price paid for the lands?

3. Who were the vendors?

4. To whom were the warrants in payment for these lands made payable?

5. How many of the settlers concerned have abandoned their holdings?

Hon. Mr. STEWART:

1	2	3	4
(T. 17–R. 9–W1)			
N.W. ¼ 22	$1,700 00	W. J. McKay	Taylor & Colwill.
E. ½ 30	4,575 00	A. W. Trickey	Kennedy, Kennedy & Kennedy.
N.W. ¼ 28	3,700 00	J. S. Fredericks	" "
S.W. ¼ 11	1,760 00	Dept. of the Interior	School Lands Division.
S.E. ¼ 19	2,300 00	A. W. Trickey	Kennedy, Kennedy & Kennedy.
N.W. ¼ 11	4,663 35	Dept. of the Interior	School Lands Division.
Free N.E. ¼ 11			
S.E. ¼ 29	1,920 00	" "	" "
W. ½ 6	4,800 00	Stonehouse & Chambers	Deputy Provincial Lands Comm. and E. J. Rochon.
N.E. ¼ 7	2,400 00	A. W. Trickey	" " "
(T. 17–R. 10–W1)			D.P.L.C. and Kennedy, K. & K.
S. ½ 14	4,160 00	H. H. Moss	" "
S.W. 23, and N.W. 14.	4,160 00	"	Deputy Prov. Lands Com. and Kennedy, Kennedy & K.
N.W. 23	2,000 00	"	" " "
N. ½ 34	4,480 00	F. J. Murray	Empire Sash & Door Co.
S. ½ 36	4,500 00	E. J. Rochon	Deputy Prov. L. Comm.
N. ½ 33	4,480 00	"	D.P.L.C. and E. J. Rochon.
S. ½ 16	4,480 00	A. W. Trickey	McPherson, Porter & Kennedy, K. & K.
W. ½ 22	4,480 00	Geo. W. Langdon	Royal Bank of Canada and Moran, Anderson & Guy.
N.E. ¼ 28	2,700 00	G. W. Harker	Kennedy, K. & K. and Sec. Treas. Municipality West Bourne.
W. ½ 25	4,800 00	E. J. Rochon	Deputy Prov. Lands Comm. and E. J. Rochon.
E. ½ 27	4,480 00	A. D. Squair	Jacob Moore & Morton and D.P.L.C.
N.E. ¼ 23	2,000 00	H. H. Moss	Kennedy, Kennedy & K.
N. ½ 16	4,480 00	A. W. Trickey	McPherson & Porter.
S.E. ¼ 23	5,000 00	Amy Moss	Kennedy, Kennedy & K.
N.E. ¼ 14	5,000 00	"	" "
N. ½ 36	4,800 00	E. J. Rochon	Deputy Prov. Lands Comm. and E. J. Rochon.
N. ½ 2	4,480 00	E. Chanter	University of Manitoba.
E. ½ 1	4,800 00	Wm. Chambers	D.P.L. Comm. and E. J. Rochon.
N.W. ¼ 28	1,250 00	Thos. Strong	Taylor & Colwill.
S.W. 28	3,800 00	Annie M. Haney	Sexsmith and Miller.
(T. 18–R. 10–W1)			
S. ½ 16	4,480 00	Wm. Chambers	Taylor & Colwill.
S.W. ¼ 17	3,000 00	Wm. Smith	" "
S. ½ 4	4,480 00	E. J. Rochon	Deputy Prov. Lands Comm. and E. J. Rochon.
W. ½ 15	4,480 00	Wm. Chambers	" " "
W. ½ 2	4,800 00	E. J. Rochon	" " "
S.E. s 17	1,600 00	Grace Brown	Grace Brown.
W. ½ 5	4,700 00	Mr. Treleaven	Thomson & Thomson.
S.W. ¼ 32	2,700 00	Amos Leeson	Taylor & Colwill.
E. ½ 2	4,800 00	E. J. Rochon	Deputy Prov. Lands Comm. and E. J. Rochon.

1	2	3	4
S.E. ¼ 5	3,300 00	T. W. Reid	Kennedy, Kennedy & K.
N.W. ¼ 36 (T. 19–R. 10–W1)	4,400 00	R. J. Johnston	Taylor & Colwill.
N.E. ¼ and pt. S.W. ¼ 1	4,100 00	Wm. Grant	Taylor & Colwill and Wm. Grant.
S.W. ¼ 9	4,200 00	T. Robinson	Bank of Montreal at Portage la Prairie.
N.W. ¼ 9	3,000 00	J. M. Dotten	Jacob & Fahrni & Imperial Bank of Canada.
N.W. ¼ 15	3,500 00	Roy Dezeng	Taylor & Colwill and D.P.L. Comm.
S. ½ 22	4,680 00	Col. E. J. Murray	Kennedy, Kennedy & K.
N.W. ¼ 1	3,500 00	W. J. Falloon	Taylor & Colwill.
S.E. ¼ 13	2,800 00	W. H. Kidner	W. H. Kidner.
N.E. ¼ 14	2,500 00	J. H. Cooper	Taylor & Colwill.

5. 39.

IMPORTS OF AMERICAN EGGS

Mr. GARLAND (Carleton):

1. What quantity of eggs, in the shell, was imported from the United States during the year 1925?

2. What quantity of powdered eggs was imported from the United States during the same year?

3. What quantity of eggs, commonly known as galloned, was imported from the United States during the year 1925?

4. What was the total quantity of other forms of eggs imported from the United States during the year 1925?

Hon. Mr. ROBB (for the Minister of Trade and Commerce):

Imports of eggs into Canada from the United States during the calendar year 1925.

Eggs in the shell, dozen 2,577,400, $922,059; eggs, n.o.p., pounds 54,390, $15,333.

(Powdered eggs and galloned eggs are not specified in the classification of imports.)

TELEPHONE OPERATOR AT BEAVER LODGE

Mr. DAVIS:

1. Is a man by the name of "Smith" employed as operator at the Dominion government telephone office at Beaver Lodge, Alberta?

2. If so, when was he engaged, and at what salary?

3. Upon whose recommendation was he engaged?

4. Are his duties that of operator or political organizer?

5. What salary does he receive?

6. What are his personal expenses, if any, and what is the office expense, including rental?

7. To whom is the rental paid?

8. What is the yearly revenue from the said office?

9. Is the government not aware of the fact that the provincial government of the province of Alberta has an adequate telephone system all through this district?

Hon. Mr. KING (Kootenay):

1. Yes, as an operator in the government telegraph office.

2 and 3 Engaged temporarily on July 25, 1919, at Grande Prairie, Alta., at $105 per month. Appointed permanently by the Civil Service Commission on July 23, 1920. Transferred to Beaver Lodge, Alta., by the general inspector, J. S. Macdonald, Edmonton, on March 4, 1921, at $130 per month.

4. Telegraph operator.

5. $130 per month.

6. (a) No information. (b) $351.

7. R. C. Lessing.

8. $294.35 (1925-26).

9. Beaver Lodge is a telegraph office on the main telegraph circuit Hudson's Hope, Edmonton. The fact of there being a local telephone service has no bearing on the existence of this office.

AUDIT OF GOVERNMENT DEPARTMENTS

Mr. CHURCH:

1. Is it the intention of the government to secure this year an independent audit of the various departments of the government service, and also of the government's various outside commissions, similar to the independent audits secured by many of the governments of the provinces to good results, and report the results to parliament?

2. If not, why not?

Hon. Mr. ROBB:

1 and 2. The Consolidated Revenue and Audit Act provides for a continuous independent audit by the Auditor General who, since appointment, has reorganized his department and in his reports to parliament has touched upon various aspects of his work which have been receiving attention.

QUESTION PASSED AS ORDER FOR RETURN

BUFFALO KILLED AT WAINWRIGHT

Mr. DAVIS:

1. How many buffalo were killed at Wainwright, or in any other park in the province of Alberta, during the years 1920-1925, inclusive?

2. How many buffalo hides were disposed of during each of these years? To whom, and at what prices were they sold?

3. How many heads were mounted and sold during each of the said years? To whom, and at what price were they sold?

4. How many heads were sold unmounted during each of the said years, and to whom and at what price?

FRUIT JOBBER BROKER COMBINE

On the Orders of the Day:

Mr. GROTE STIRLING (Yale): I would ask the Minister of Labour (Mr. Elliott) whether in view of the representations made by the fruit and vegetable growers and also of the conviction recently obtained in the

trial in Vancouver of the Nash officials, the government propose to prevent the operation of jobber owned brokerage houses?

Hon. J. C. ELLIOTT (Minister of Labour): The matter is under consideration. The finding of the courts had reference to the criminal liability of the parties accused. The decision is being appealed and will be opposed on behalf of the government. As regards the question of suppressing the practice that has been engaged in, the government is considering the situation at present and probably I shall be able to make a statement later.

CIVIL SERVANTS AND THE WINNIPEG STRIKE

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): A report has been going around for some days that the government proposes to introduce legislation to grant some special rights to those who lost positions in the civil service in the Winnipeg strike. Has the government any such proposal under consideration? Or can it make a definite statement to the House?

Hon. ERNEST LAPOINTE (Minister of Justice): I will communicate with the Postmaster General and inform my right hon. friend to-morrow.

Mr. MEIGHEN: He is in the Senate, I believe.

Mr. LAPOINTE: Yes. I represent him in this House.

MINISTERIAL REPRESENTATION FOR ONTARIO

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I will ask about some ministers who are not in the Senate. Are we to be kept in the dark as to how long Ontario is to be represented in this House by but one minister? When is the new Minister of Trade and Commerce so long promised, to be appointed?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am rather surprised that my right hon. friend should ask that question. The government has shown its desire to have Ontario represented, but each time it has intimated the probability of another election my hon. friend has opposed the idea.

Mr. MEIGHEN: What election?

Mr. MACKENZIE KING: Any by-election to have another minister returned.

[Mr. Stirling.]

Mr. MEIGHEN: When did I oppose any by-election?

Mr. MACKENZIE KING: My right hon. friend issued a statement to the press the other day to that effect.

Mr. MEIGHEN: The mind of the government is in such confusion that it cannot distinguish between opposition to a man when he appeals for election and opposition to the election itself. If the government cannot make that distinction its position is beyond all redemption.

DELEGATION FROM PEMBROKE

On the Orders of the Day:

Mr. I. D. COTNAM (North Renfrew): I want to call the attention of the government to a report that appears in the Ottawa Morning Journal of Wednesday, April 21, to the following effect:

> Pembroke Approves
>
> A delegation from Pembroke—

Pembroke is the county town of North Renfrew.

> —headed by Mayor Duff and Daniel Jones, president of the board of trade, waited upon Hon. James A. Robb, Minister of Finance, yesterday. The spokesmen expressed approval of the budget and urged the minister to adhere to its provisions.

I wish to take exception to that article from which it would appear that these gentlemen came in the capacity of delegates representing the council of the town of Pembroke, and the Pembroke Board of Trade.

Some hon. MEMBERS: Order.

Mr. SPEAKER: That is not a question.

Mr. COTNAM: I should like to ask the minister if those gentlemen represented themselves to him in an official capacity or as private citizens of the town of Pembroke.

Hon. J. A. ROBB (Minister of Finance): Mr. Speaker, the statement which my hon. friend has just read from the Journal is practically correct so far as I know.

INQUIRY FOR RETURN

On the Orders of the Day:

Mr. A. de WITT FOSTER (Hants-Kings): May I ask the Minister of Justice if I may expect soon to have a return to the address voted on March 29, with reference to the Electric Machinery Manufacturing Company, of Minneapolis?

Hon. ERNEST LAPOINTE (Minister of Justice): I will see that my hon. friend gets his return as soon as possible. Of course, the delay has been very short.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE.

The House resumed from Wednesday, April 21, the debate on the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Hon. EDMUND BRISTOL (Toronto East Centre): Mr. Speaker, in common with the rest of the House I have a distinct feeling of friendship and admiration for the Minister of Finance (Mr. Robb) but I am afraid it does not extend to his budget proposals. I am very glad, however, he has done one thing that I recommended a year ago—reduce the income tax on small incomes. It certainly will be gratifying to every working man and woman in this country, especially those with small incomes.

But on the question of tariff, I would have thought that the experience of the last four years would have been enough for even a Liberal administration, many of whose supporters I think are at heart ardent protectionists,—I would have thought it would have been enough for their feelings after contemplating the dire results of the small reductions they have made in the tariff in the last four years, to have left the tariff entirely to the advisory board which they have recently appointed. I would have thought they would have been satisfied, after losing from the province of Ontario and the province of Quebec approximately five hundred thousand of our young men and women to the United States during the last four years, not to add more to that quota. The province of Ontario has been the chief sufferer from this exodus. Presumably still more of our people will go to the United States now to secure the benefits of high protection which they find so advantageous to themselves. But when all is said and done it is really hard to understand why, having talked so much about the necessity of a tariff commission, the government did not trust this first article of tariff reform to that commission. However, after studying the situation carefully, and knowing the right hon. gentleman who is head of the newly formed Tariff Advisory Board, for whom both sides of the House have a high personal respect and admiration, I fancy the government did not think he would have enough strength of character to treat the tariff in this instance in a way that no supporter of Sir Wilfrid Laurier in his day and generation had ever thought of doing. Accordingly the government felt they had to give one great example of what should be done in this regard, and then the tariff board could proceed to mutilate the rest of the tariff as they might see fit. Should they follow this course and reduce the tariff to a maximum of 27½ per cent, which the member for Brandon (Mr. Forke) says is sufficient for anyone, there would be practically no protection to our manufacturers and others under the existing conditions in this country.

Now, the peculiar reasoning of some people is that they seem to think we can maintain a low tariff alongside the United States, where they have followed consistently a policy of high protection. For instance, they give their automobile industry a protection ranging from 25 to 50 per cent according to the tariff imposed by other countries against American automobiles. But not only do the government of the United States protect their manufacturers and others with a high tariff, they have also a board sitting at Washington which apparently works night and day. Supposing we send into the United States any commodities which the tariff board think might better be produced in their own country, the importer is invited to bring his samples to Washington or some other place where they may be examined, and if they do not happen to meet with the approval of the board's examiners, and those examiners think that the goods would be bought in the States, the importer is impeded and prevented from making deliveries and from bringing in any further supplies. This action is taken practically overnight, and in one case the tariff board increased the duty from 50 to 90 per cent.

Modern business is modern warfare. In other words, you cannot fight the United States or any other country along modern business lines unless you use their own weapons. Naturally, we would prefer to keep our people here. Obviously we cannot do so unless they can earn as good wages as are offered them in the United States. Therefore we should protect our manufacturers and working people against the importation of competing products from the United States and the countries of Europe. It is perfectly obvious that we cannot become a great and prosperous country unless we give fair and reasonable protection to the manufacturing interests of Ontario and Quebec and the other provinces, but particularly to those two great provinces, where there is an investment of nearly three billion dollars in industrial plants.

There are two classes in every community that I think are especially entitled to the fullest consideration. The first class are the farmers. We cannot possibly have a great and prosperous country unless our farmers are fairly treated, unless they have every reasonable opportunity of getting fair returns from the soil. We have the Progressive party in this House, of course, who for the most part are opposed to protection, but I do not know of any government in the provinces, Liberal or Conservative, that has not done all it possibly could for the farmers. It is well recognized to-day that our farmers produce the real wealth of the country to start with, and after them come our manufacturing industries. Nor do I know of any federal government in this country that has not tried to treat our farmers in a fair and reasonable way. Of necessity this must always be done if our country is to be successful. But we have two classes of farmers. There is the western farmer growing his No. 1 hard wheat. He is as fine a farmer as you will find anywhere in the world, and he grows the finest wheat that can be produced in any country. If he had free trade he would have practically no taxes to pay. On the other hand you have the farmer of Ontario, Quebec and the Maritimes who has to rely on other products of the farm, cheese, butter, eggs, and so on, which products have to meet competition the world over. There has been a failure on the part of the present government, and I regret to say of other governments also, to give the farmers of Ontario, Quebec and the Maritimes that fair and reasonable protection to which they are certainly entitled.

But this is the worst phase of the situation. Ontario and Quebec, for instance, are great producing provinces, the farmers there are prosperous, but those provinces are losing their population, their young men and women. Now, we cannot become a great nation unless we get our people to stay in the country and unless we get new population. Above all things, it seems to me the first duty of every government is to take care of the people of Ontario and Quebec; it is so to protect the industrial interests that the working people will have plenty of employment at as good wages as they could earn across the line, and the local farmers will have good customers. The next step should be to get back our boys and girls from the United States. No one can argue for a moment that the best settlers are not our own people, and we should make the country so prosperous and attractive that our people who have left will return; that those who are here will stay here and that their number will be steadily added to by a constant flow of immigrants from the Old Country. But after four years of tariff reductions, resulting disastrously to the country, the government has decided apparently to put the finishing touch on their work, and thus drive a still greater number of our young people to the United States. Not only has the government seriously affected the automobile industry by this tariff reduction, but they have scared away capital. They are not doing anything, in other words, to retain our present population, yet new settlers are being brought into this country. We cannot go on with nine million people; with that population we cannot hope to keep paying our great debts and meeting our obligations and the expenses of government. We must have new population. We hear of schemes for bringing these people from England and other countries, but where are they to go? I suppose they will go to northern Ontario and chiefly to the west. I have not heard any particular outcry from those in the west that they want new settlement; in fact one of their leaders said that if they had no more farmers they could get on very well.

But I know that the spirit of fair play and the desire to do what is right exists in the west as well as anywhere else. When I put this position before my friends from the west I would like them to consider it well, because it means so much to Ontario and Quebec, as well as to the other provinces where manufacturing is carried on. People in any country have to pay taxes, of course; I think our western friends recognize that fact, and are willing to pay a fair share. It is better to keep the boys and girls in this country, employed in factories producing in Canada the goods which should be made here out of our own raw products, rather than allow goods to come in from the United States. That simply means that our money goes to the United States, and American labour makes a profit on what we buy. If you bring new settlers into Quebec certainly you will increase the home market, but the home market is not so important to the farmers of the west as is the world market. You have the best wheat in the world, and there is no trouble in disposing of it. But when you have the great provinces of Ontario and Quebec with their many farmers, that condition does not obtain.

If you shut down all these automobile factories, what will happen? First of all we will import a great many cars from the United States, with no proper tariff protection. One-half million of our young men went to the

United States in four years, and you will send another hundred thousand across the border if this course is pursued; you will frighten industry. If you want to have an agricultural country only then go ahead, because by tariff reductions that

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condition will be brought about. We can, of course, manufacture lumber and paper, and we have great mineral wealth, but if you keep on with this policy there will be very little else. This country has great natural resources; I do not think a low tariff could ruin Canada but it can do a great deal towards reducing our population and our prosperity. If we do not accord the farmers of Ontario and Quebec fair treatment we are going to injure them and destroy the farming interests in these two great provinces.

If we keep shutting down our factories with this sort of tinkering, and worse, the manufacturing interests of Canada will be greatly decreased and the farmers will lose their local markets. We have nearly three and a half billions of dollars invested in the manufacturing interests of Canada, and I suppose about seven billions of dollars in the farming interests, but one thing is sure: we have to treat each other fairly and reasonably, and I say to my hon. friends from the west that it is worth considering carefully whether it is not much wiser to let this automobile industry prosper as it has prospered in the past. If you want a reduction go at it cautiously, as Sir Wilfrid Laurier did, and then study the result. Such a large reduction as has been made is very detrimental to the public interest; the manufacturers are not able to tell exactly what is going to happen, and the people are uncertain also.

I have said that the farmers are entitled to every consideration, but I again say that the working men and women are entitled to even more consideration. Why? The working men and women of the country go home at the end of the week and take their wages with them; that is all they have, unless there is a small garden around the house or something of that kind. If they lose their jobs, which has already happened to some automobile workers, and which may happen to others in the next two or three weeks, although they may have saved a little money they are up against a very serious proposition. They will have to consider whether or not they should leave Canada, or what they can possibly do. The farmer, on the other hand, is in a different position. If he has a bad crop—which is a very serious thing, of course—usually he has enough produce around his home, together with chickens, cows and farm animals of various kinds, to carry him through a winter even if he does no business at all. Of course, none of our farmers are in that position to-day; they are too skilful and too wise to put all their money into any one thing, even No. 1 northern wheat, and there is no doubt that the western farmer is progressing on broad lines. His is a wonderful country, and he will succeed. But the younger generation are entitled to every consideration from all of us, and I do not see why the working men and women of Canada should not be protected in this country, as is done in the United States. That country has a population of 120,000,000 people—

Mr. HOWARD: Will the hon. member permit a question?

Mr. BRISTOL: I would rather not; I am not trying to convince the hon. gentleman. We cannot hope to manufacture as cheaply as the United States, for obvious reasons. If you are making in a factory twelve times as much of the same article as another factory is making, obviously you can reduce your overhead to practically nothing, on large production, and your cost is very low. We have a tremendous opponent in manufacturing in our next door neighbours. They have vast wealth and are very fond of Canadians; they have certainly done everything possible to annex this country in a pleasant way. We are the only people in the world they are willing to admit without question, but when it comes to the articles manufactured in this country they put up a tariff wall and appoint an investigating committee, which shuts out everything which might compete with goods manufactured in the United States, and allows in only what they really need.

This is an easy country, Mr. Speaker, to make great and prosperous. We have a splendid population; I do not think there are any better people anywhere, any men, women, boys and girls more diligent or better behaved. We have the greatest natural resources of any country in the world; it is said that at least 85 per cent of this country possesses mineral wealth. There is no doubt that we have power to an extraordinary degree, and the province of Quebec is particularly fortunate in that regard. What we must do in order to prosper is to treat each other fairly and squarely. The Maritime provinces have their troubles; they are entitled to every consideration. The western farmer has received, in my humble judgment, every consideration; he does not get protection, but his wheat is shipped down to the seaboard for

seven to nine cents a bushel less than American wheat is shipped over a similar distance. That is a big protection, when we consider our national railways and the amount of money we have expended in that connection. I would like to ask our western friends to consider the point of view of our manufacturing interests. It is far better to keep our young people in this country; to have our work done in Canada and to manufacture the raw products here, than to buy American products under any conditions. It may cost a little more, but the sacrifice will be a worthy one in the interest of Canada.

So far as we in Ontario are concerned, we are hard-working people with every respect for the rest of the people of Canada, and we have every desire to see prosperity all over this great Dominion. We have the friendliest feeling towards our next door neighbours in the province of Quebec. Some of us wonder occasionally why Quebec does not annex us, and then we would surely have a wonderful prosperity. I think that instead of trying to stay in office, whatever government it may be, we should look at the affairs of this country in the purely national way, not from a political point of view, and we should do the best according to our knowledge and ability to make our country great and prosperous.

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, with your permission, and the indulgence of the House, I should like to make a short contribution to the debate. First of all I must congratulate the Minister of Finance (Mr. Robb) upon the splendid programme which he has submitted. I think it is fair to say that the budget has been received with approval everywhere except by the automobile industries of Canada, and that it is on the whole pleasing to everybody. Of course it has not found favour with the industries to which I alluded and some hon. members opposite. The elimination of the receipt tax, the return to penny postage, the endeavour on the part of this government to route Canadian commerce through Canadian ports, the saving of $25,000,000 in taxes for the coming year, the conversion of an adverse trade balance of $29,000,000 into a favourable trade balance of $402,000,000 as a result of five years' administration, and the reduction of the national debt by some $22,000,000, are all matters for congratulation to the Canadian people. The budget has undoubtedly won compliments from the press of Canada, and in some instances the newspapers are loud in their praise of it. The one feature of the budget which has not met with an equally enthusiastic reception is the cut in the tariff, particularly on automobiles.

[Mr. Bristol.]

Now, notwithstanding the fact that prior to the last general election the Conservative party preached generally throughout the country a campaign of blue ruin, and pointed to Canada as being in a deplorable condition and on the verge of bankruptcy, very little credit is being given by hon. members opposite to this government for the splendid condition existing in this country to-day. The hon. member for South Wellington (Mr. Guthrie) congratulated the Canadian people on the prosperous condition in which they found themselves, but declared that prosperity was entirely due to a beneficent Providence, a bountiful crop, and a virile Canadian people. At the same time he stated that the government of Ontario had put that province in a firm financial position by its able management. He gave credit to the government of Ontario for what it had done but declined to give any credit to the federal government for the prevailing prosperity. He asserted that Canada was only getting her due, she was only getting what was coming to her, that such advancement as the country had made should have come some two, three or four years earlier, and that there had been no improvement in the country during the last four years. The last statement is not entirely correct nor is it entirely fair. Let me point out that during the ten years the Conservatives held office in Canada, namely from 1911 to 1921, there was added to the national debt of this country the entire cost of the war, the entire cost of demobilization, and $170,000,000 besides. We all remember, looking back to the period immediately after the war, the depressed condition in which Canada found herself. At that time commerce and finance were stagnant, agriculture and industry were paralyzed. We well remember the credit of Canada had become very much impaired, and that the Canadian dollar was only worth some 80 cents. We well remember that men and women were leaving Canada in hundreds and thousands, and even in greater numbers; that in the Dominion there was no money to be found, that this country had very little to sell, and that the price of such few products as she had to offer was not worth consideration. I had the novel experience, during that period of depreciation in the spring of 1918, of buying several hundred ewes at $25 apiece and selling them in the Winnipeg stockyards in the fall of 1921 for the paltry price of $2 each. That gives a pretty fair idea of the depression which prevailed in western Canada during that period. Mention was made in this House at the time of the condition in which Canada found herself, and when the government was appealed to for

remedial measures it claimed that it could offer no remedy whatever. The Hon. Mr. Calder, speaking in the House on May 19, 1919, said:

I presume that the very large emigration from this country has been very largely due to the rapid expansion of trade, and commerce and industry of the United States in every direction, which has made opportunities for our young men to enter business there, and I dare say that condition will continue.

He went on to say that on returning to his native town in Ontario he found that the young men whom he had known in his early days had all disappeared. Mr. McDonald, the former member for Timiskaming, made the following remark:

Some hon. members say that there are many idle men in Canada. We have in this country to-day the sorry spectacle of some 500,000 people who are idle and together with their dependents they number probably a million and a half out of a population of perhaps ten millions. This is a sad spectacle indeed in this glorious land of ours which we profess to be so proud of. There are 500,000 men or thereabouts idle in Canada and we have bread lines in every centre of population in the country. Why the condition of affairs is staggering and the Dominion government is asked, if my information is correct, to contribute towards the sustenance of men in Toronto, Winnipeg, Vancouver and Montreal.

The Minister of Finance of the government of that day, speaking in the House said:

We in Canada have a great task before us. The world is sadly out of tune. Trust and confidence is sadly lacking. Class interests are advanced with selfish insistence. Unemployment is with us. Faith in our fellow men is weakened. Doubt of the future is voiced, and what is the trouble? The sun still shines, the rivers still sparkle and our lands are as fruitful as ever; our resources just as great.

This will give hon. members an idea of the condition of Canada at the time of which I speak. Now modesty is an ever-becoming virtue. I do not for a moment blame the government of that day for the condition in which Canada found itself. I do not suggest for a moment that the condition then could have been helped by the government of the time or by any government. The pendulum of fate ever swings, and at that particular time the odds were against Canada. I simply desire to point out that such was the condition which prevailed in this country subsequent to 1919 and up to the time the present government assumed office. Neither do I wish to give the Liberal government entire credit for the improvement which commenced to be apparent immediately after it entered upon its duties.

Now I will submit a few figures relevant to this matter, in order to show that a gradual improvement has taken place since the year 1921. When the present government came into office on March 31, 1922, the public debt of this country stood at $2,422,000,000 in round numbers. On March 31, 1923, it was $2,453,000,000 and on March 31, 1924, it had been reduced to $2,417,000,000. On March 31, 1925, it was again $2,417,000,000, but in 1926, at the time of the present budget, we find the national debt reduced to $2,395,000,000, this being some $25,000,000 less than in 1922 and a saving of $22,000,000 from the last year, after providing an amount of $10,000,000 to the National Railways, and advancing $2,500,000 to the Home Bank creditors relief fund. It has been claimed the government has been spending more money successively from year to year. The expenditures are as follows: in 1922, $464,000,000; in 1923, $434,000,000; a lessening of $30,000,000 from the year before. In 1924 it was $370,000,000.

Mr. CLARK: Do those figures include the railway expenditure, and if so do they include the railway guarantees?

Mr. HOWDEN: I have taken these figures from the statistical department. They have been given to me under request and I am not able to answer my hon. friend's question accurately, but the figures I have given were supplied me by that department.

The expenditures in 1925 amounted to $350,000,000, and in 1926 they had been reduced to $342,000,000, but this does not include an advance of $10,000,000 to the National Railways, or $2,500,000 to the Home Bank creditors fund. I should like to point out also that in the year 1920-21 the public debt was increased by $92,000,000. In 1921-22 there was again an increase of $81,000,000, and in 1922-23 another increase of $30,000,000. For the year 1923-24 there was a decrease of $35,000,000. At this time a cut of $26,000,000 was made in the general taxation. Notwithstanding this fact there was still a surplus of $5,000,000, or a decrease of $31,000,000 in all, from the preceding year. We all know that in 1926 there has been another decrease of $22,000,000.

With regard to the charges of extravagance that were made by hon. gentlemen opposite, since the present government came into power the services of some 5,000 people have been dispensed with and this has caused a yearly saving of $5,000,000. I might point to the balance of trade also, and just briefly mention the fact that in 1921 we had an adverse balance of trade of $29,000,000, and that the condition has improved since, so that in the present year we have a favourable balance of trade of $402,695,000. Now in the face of these figures, no one can consistently or

honestly claim that there has been no improvement in Canada in the last four years. The hon. member for South Wellington, in making the statement that this government had been an extravagant one, said, at page 2459:

> I do say, however, that there are millions of dollars of suggested expenditures which might very well be deferred for some years to come without any inconvenience and with no ill effects on the Dominion.

Now, Sir, coming from Manitoba, this statement appears to have reference to the Hudson Bay railway. Without pausing to discuss that project at this time, I would like to say that the people of western Canada were looking for the completion of the Hudson Bay railway even before they were looking for the completion of the Canadian Pacific. Since the later seventies we have had the building of the Hudson Bay railway in mind. In the early eighties an appropriation was set aside for the building of the road. There has been some $50,000,000 worth of land sold and some $30,000,000 collected, but up to the present time only some $20,000,000 has been spent and we of western Canada feel that the balance of these moneys should be used for the completion of that railway. With regard to the feasibility of the grain route via Hudson bay, which has been seriously questioned, I might say there have in the last hundred years come into Hudson bay some 675 ships with the loss of only two. It it not a very large number, but it is about six ships a year, and the percentage of loss has been very small. Assuming the grain route to the Old Country via the Hudson bay never became useful, the Hudson Bay railway will find plenty of other commerce and industry to keep the route alive. I have been down the Nelson river some two hundred miles. There is a great deal of water-power all the way. I should imagine the country would be able to develop sufficient water-power to pay for the upkeep of the line. Not only is this the fact, but the whole country is saturated with minerals; there is no doubt about that at all, and there is no way of getting these minerals out at the present time. There are large areas of pulpwood too in that country, and that is a matter worthy of consideration. The bay itself contains a wealth of fish life, producing the best salt water fish in the world. Even supposing which I do not admit by any means, that the grain route to the Old Country would be impracticable, there is no reason why the Hudson Bay route should not become a paying proposition.

The main criticism of the hon. member from South Wellington, is with regard to the proposed reductions in the tariff. The hon. gentleman pointed to the fact that Ontario contains about one-third of the total population of the Dominion, and he stated that Ontario paid over one-half of the treasury receipts of the Dominion, that Ontario was the home of the automobile industry in Canada, that there were, in one way and another, engaged in that industry, some 20,000 men, and that they with their families made up possibly 100,000 souls. He pointed out that the proposed reduction in the tariff on automobiles would probably greatly hamper the industry and possibly throw these men out of work. Now the statement of the hon. member is probably correct, so far as Ontario is concerned, but I am by no means convinced that the proposed reduction in the tariff on automobiles is going to ruin the industry in Ontario and put these people out of employment. In support of that statement, I should like to read some of the remarks that were made by hon. members in the House to the effect that of the excess price paid by Canadians for cars, over the price paid on the same cars in the United States, less than half is paid for salaries and wages. The excess price of cars in Canada over cars in the United States is 40 per cent, more than one-third, and is it reasonable to suppose that the material going into the manufacture of these cars would cost the other two-thirds? I think not and for that reason I am disposed to believe that automobile dealers in this country reap fairly handsome profits from the manufacture and distribution of automobiles.

I should like also to put before the House some other statements that have been made by other hon. members. In ten different makes of cars manufactured both in Canada and in the United States, the Canadian price is from thirty-eight to forty-one per cent and in some cases nearly as much as fifty per cent higher than the United States price. Canadian made cars sell for a considerably lower price on the foreign market than they do in Canada. Cars of United States make assembled in Canada obtain a considerable drawback when exported and enjoy as well, under the British preference, a tariff of eleven per cent on the British market, but these manufacturers take advantage of all the tariff of thirty-five per cent will bear as regards the Canadian purchaser. Twenty million dollars in excess of United States prices on the same cars was paid by Canadian people to Canadian car-makers or assemblers in 1924. A Canadian firm which is well known to all, with an original capital of $125,000 paid average yearly dividends of $642,000, that is to say over 500 per cent for a period of twenty

years, and at the end of that period the total investment together with the total dividends amounted to $43,978,000 or a profit in twenty years of $43,853,000 on an investment of $125,000; that is to say an average yearly growth of over 1,800 per cent.

Mr. GOTT: Where do those figures come from?

Mr. HOWDEN: Those figures were obtained by an hon. member of this House by direct interrogation of the managers of this particular automobile concern. Other firms are probably not quite so graciously favoured, but if an honest statement were made of their business as in the above case, it would doubless show that they too were making a very substantial return on their investment. Under the circumstances it does not seem to me that the automobile makers of this country are going to suffer very greatly by a reduction of fifteen per cent in the tariff on cheap cars.

The criticism, however, by hon. members opposite did not stop at the question of the tariff on automobiles; the tariff in general was mentioned. Since I have been interested in the political life of Canada I have heard continually of the necessity of raising the tariff on imported articles. That apparently is to be the cure-all for our ills in this country; but notwithstanding this fact, although the Conservatives were in power for ten years prior to the present government taking office, no effort was made by them to raise the tariff.

Comparisons are often made by our hon. friends opposite between Canada and the United States. The prosperity of the United States is pointed to by them and the fact that they have a high tariff is credited for being the reason for their prosperity. In Canada, although we are not quite so well off, we are rapidly regaining prosperity, and I believe the time is not very far distant when we shall have very little to complain of in that regard. Conditions in the two countries are very different. As was stated in this House last night, the United States entered the war some three years after the commencement of that great struggle and during those three years they were not only the storehouse but the merchant who supplied all the munitions of war and who lent the money. At the end of the war the United States of America found itself very rich as a result of that tremendous conflict. In Canada, on the other hand, we find a very different state of affairs. Canada was bled white of money, men and everything else; she was floundering under a stupendous load of debt for which no one can be blamed, and there was no sale for such products as she had for sale in those days for a simple reason. There had been over-production during the war and the world was practically overstocked with the necessaries of life, manufacturing and agricultural, so that there was no price forthcoming for what she had to sell.

Mr. McGIBBON: What is the per capita difference in debt between Canada and the United States?

Mr. HOWDEN: I cannot say.

Mr. McGIBBON: Practically the same.

Mr. HOWDEN: I think hon. members will admit that conditions in the two countries were very different at the end of the Great war. There can be no question that the United States made a great deal of money as a result of the war and that Canada became practically bankrupt.

Mr. McGIBBON: That is not what hon. members opposite generally say.

Mr. HOWDEN: Yes, that is what I say. I am saying now that we are recovering and that is a very good thing. There is no question that we were in a very deplorable condition in this country at the end of the war. Apropos of this matter of the Canadian tariff I might point out that nearly fifty per cent of articles manufactured in Canada are exported and our manufactured exports have to compete in general with those of the United States, England and Germany on the world market. They receive no protection there and it is not probable that our manufacturers would export this material if they were going to lose money on it. How does this figure out? Our manufacturers take a chance on making what they can in the foreign market and they look to the people of Canada to protect them against any possibility of failure. That is to say, the tariff in this country is purely and simply a subsidy paid to Canadian manufacturers by the Canadian people through the medium of the Canadian parliament. Is this a very patriotic attitude? Does it seem to appeal to hon. members in this House or to the people throughout the country, that Canadian manufacturers should charge their own brothers greater prices for the commodities of life which they manufacture than they charge to the people to whom they sell abroad?

It is claimed by some hon. members that agriculture requires protection in the same manner as manufacturing industries. I am

just wondering how you can protect the products of the western farmer. Is there any means by which you can put an export tax on our wheat or cattle and force the foreign buyers to pay us that extra money? Is it likely that if such an export tax were placed on raw materials we could get people to buy them from Canada? I do not think so. As a matter of fact we have to sell on the markets of the world whatever we produce and there we must take whatever price we can get, I do not see any good reason why the manufacturers should not do the same. The western agriculturist as an agriculturist has nothing whatever to gain from a tariff; it cannot help him in the least. We do not wish to take any selfish stand and we are willing, indeed we are anxious, to see Canada as a whole prosper. To this end we are ready to make some sacrifice, but we do insist that this sacrifice be reasonable.

There is some possible question about the necessity for protection in respect of such things as fruit and early vegetables. As I have stated in this House before, early fruit and green leaf vegetables from abroad come into Canada before the products of this country are ready to be placed on the market, and the fact cannot be emphasized too strongly that these commodities are of extreme importance to the Canadian people. I want to read some remarks made by Doctor Hastings, the medical health officer of Toronto, at a recent medical convention. Doctor Hastings emphatically denounced any move which would add to the price of fresh vegetables in Canada in winter. He said:

> I am absolutely opposed to it. My attitude is shown by the fact that I have been agitating for a complete removal of all duties from all citrus fruits. We should get our oranges, grapefruit and lemons duty free so that the price can be brought as near the poor man's ability to pay as possible. The leaf vegetables are of the greatest importance. Lettuce, spinach and cabbage would all come in duty free if I had my way in the matter.

At the same convention Miss Frances McNally director of the dietetics department of the Macdonald College, Guelph, had this to say:

> Why, to shut the door upon or cut down the supply of leaf vegetables in Canada in winter would be little short of tragedy. Millions of dollars have been spent in educating the public to this value in dietary. To raise the price would be to throw away the results of years of educational work along this line.

We medical men all know that one of the greatest safeguards we have against the great white plague as also against a great many other constitutional derangements is suitable diet, and there is no suitable diet for constitutional diseases which does not include green leaf vegetables and fresh fruit. I am inclined to believe, with Doctor Hastings of Toronto, that when fruit and early vegetables are available for Canada before the Canadian products are ready, even if these commodities come from the United States or from other places, they should be admitted free of duty. When we in Canada have our products ready for the market, then you can shut the other fellows out altogether so far as I am concerned; but I certainly think that until then the early fruit and vegetables should be allowed to come in free. This would redound to the benefit not only of the consumer but of the grower of fruit and green leaf vegetables in Canada as well.

I was interested to hear one hon. member from British Columbia state that he had seen wagonloads of apples taken to the dealers in towns throughout the fruit producing districts of that province, only to have them rejected, entailing the necessity of taking them back home, because there was no sale in view of cheaper American fruit being on the market. This is to me an astounding statement, especially when we know that to-day we have to pay five cents apiece for apples in any store in Ontario. When I was a little fellow in Winnipeg some forty years ago apples were at a premium; we thought when we were getting this fruit that we were getting a gold mine. But even at that time, as I remember, we could buy two or three apples for five cents as against one to-day. If therefore the fruit producers in this country are having to return home with wagonloads of apples because of the duty the condition of affairs is indeed strange.

I do not think it is necessary to refer to butter and eggs. A good deal has been said about butter in connection with the Australian treaty, which, it is said, is injurious to the trade in Canada. I am safe in saying, I believe, that there is not much butter manufactured in Canada in winter, the vast bulk of our product being made when the cows are in full milk in summer. The milk and cream offered for sale in Canada in the winter months goes directly to the dining tables of the land as such. The fact is that our butter is being made in summer when cream is plentiful and being stored by the creameries and the cold storage plants, if anyone suffers through the admission of Australian butter it cannot be the primary producer; it must be the operators of the cold storage plants and possibly the creameries. Pretty much the same thing holds in regard to eggs, for we know that the bulk of our eggs is produced in Canada between the first of March and the

end of June. As a general rule the hens begin to moult in July, and they do not then lay for some six weeks or two months. There are therefore few eggs laid in the fall, and those few never leave the farm. The Canadian market is supplied with the production that takes place between the first of March and the last of June, and the cold storage houses also put away large quantities of this commodity during this period. I heard the statement made in this House recently that only one egg in ten used in Canada was of domestic production. This impelled me to secure certain statistics from the bureau, and after figuring the matter up I find that very much the opposite is the case: sixty Canadian eggs are used in this country for every one that is imported. The surplus Canadian eggs are held by the cold storage plants until the months of September, October and November, when they are put upon the market, those months being the season of the year in which eggs are scarce. We have very few eggs produced in Canada during fall and winter months, except those that come from the poultry farms and which are sold as newlaid eggs at prices beyond the reach of ordinary incomes. We have to depend upon the eggs that come in from the southern states. These are practically fresh eggs, and to shut them out by a high tariff would be to do an injury to the rank and file of the Canadian people.

In common with a great many others, I believe that we Canadians should bend our energies to the development of our basic industries, and encourage the manufacture only of such materials as are obviously Canadian in origin. What are our basic industries? There are many, but obviously agriculture is the leading one, and the chief feature of agriculture is the production of wheat and grain. There can be no question about it that agriculture is our chiefest basic industry, although we have others such as lumbering, mining and fishing. But since the wealth of any land must come from the soil it is clear that agriculture is and must be the most important basic activity of any people. There can be no question that agriculture is the most important basic industry of this country. Can we develop any industries in connection with agriculture? Well, we have some. Of course, we can mill our grain and make flour. There is a contention in the west that the flour ought to be milled where the wheat is grown. There are difficulties, however, in the way of this which make it almost impossible. In the first place it is stated there is no market for our flour abroad. This is hardly correct, for we sell quite a large amount of our best Canadian flour on foreign markets. But it is pointed out with a great deal of truth that England is a workshop, that they do not want our flour but want our grain, which they themselves will make into flour and distribute. That is only the half of the story. They not only want our wheat to mill, but they want it to mix with the wheat from the other great wheat-growing countries of the world, and thereby make a better grade of flour. So it looks as if we would have to be content with manufacturing flour for our own consumption. It is also pointed out that it is much cheaper to export whole wheat than flour and its by-products.

With respect to our mining industry, I heard it stated recently that Canada contains the only commercial nickel in the world, that Canada and South Africa have the only commercial deposits of asbestos in the world, and that in Canada are to be found deposits of lead and zinc superior to those in any other country. Unfortunately I am not sufficiently familiar with this industry to speak freely, but it seems to me reasonable enough to take the position that if the world is dependent on Canada for nickel, asbestos, lead and zinc it ought to come to Canada and get those products in their highest stage of manufacture. I do believe that a scheme ought to be worked out whereby our mines should be protected and the whole benefit of our mineral deposits accrue to the Canadian people.

As to our fishing industry, our export trade is considerable. We have a vast supply of fish in our rivers, in the inland lakes and in our seaboard waters, and this is an important form of our natural wealth.

With regard to our timber, I think that also ought to be very generally processed in this country before it is allowed to be exported.

There are other manufacturing industries which do not rely on any of our natural products. For instance, I understand that all the materials for the silk manufactured in this country have to be imported from Europe. I do not very well see how an industry of this kind can be expected to compete with the long-established and highly specialized silk industry of the Old Country.

The same remarks apply to the manufacture of paint. Not very long ago I visited a paint works in the city of Winnipeg and listened to a very instructive lecture by the superintendent in regard to the manufacture of paint, in the course of which he pointed out that they brought their materials from all over the world. Just how they can hope to compete with districts where the raw materials are very much more easily secured is not obvious to me.

I might point out to the House we have not very many industries in the prairie provinces. I think it would be rather a good scheme for our protectionist friends to try to infiltrate those provinces with a few industries. I have always wondered why there are so few industries established throughout the west. I have heard it suggested the probable reason is that we cannot get them financed. I think every hon. member will agree that the money-power of this Dominion is pretty well centered in eastern Canada around Toronto and Montreal. When a man in the west desires to go into an industry his bank manager says, "Very well, but I think you had better run down east and see the president of the bank." When the man gets there the president says, "What is the idea of manufacturing up in that wilderness? Why not bring your industry down here? Of course, we will finance you all right, but it will be very much easier to finance you here." The consequence is that pretty nearly all our industries are centered in eastern Canada. I am not at all sanguine of their success, but I would suggest to hon. gentlemen opposite that if they want to change the minds of western Canadians on tariff matters they had better establish a few industries out there; then they may be able to make some of our people protectionists.

With regard to the amendment that has been offered by the hon. member for Fort William (Mr. Manion), it gives no definite intimation as to the attitude of our friends opposite in relation to what they would like the government to do in the matter. A few days ago the hon. member for South Wellington (Mr. Guthrie) stated that he was not in favour of taking the tariff out of the hands of parliament, and he read extracts in support of his view. He said that by all means the proper authority to deal with tariff questions was the parliament of the land. We on this side are wondering why hon. members opposite did not intimate what line they thought should be taken with regard to the budget alterations, or if any alterations at all should be allowed to take place. I am inclined to wonder if a good many hon. members on the other side are not actually in favour of a reduction in the tariff on automobiles, and if it is not a little bit difficult for them to come to a conclusion amongst themselves as to just what they actually want. If they had definitely intimated just what they would like done, we would be very much further ahead. As it is, they merely point out that they wish the whole tariff referred to the Tariff Advisory Board. This would hold up the budget for an indefinite period.

[Mr. Howden.]

Mr. MANION: If my hon. friend will permit me, I can tell him in a second what we suggest. We suggest that before any tariff changes are made there should be an investigation by the tariff board appointed by this government.

Mr. CLARK:; In accordance with the government's pledge.

Mr. SPEAKER: Order.

Mr. HOWDEN: That does not change the situation at all. We are still quite at a loss to go ahead and meet the wishes of hon. gentlemen opposite.

I will only delay the House a few moments, to mention the Canadian National Railways. The hon. member for South Wellington (Mr. Guthrie) gave the entire credit for the Canadian National Railways to the right hon. leader of the opposition, which reminded me of a story my mother used to tell some years ago about an old Irishman who was never a great success in life himself but whose boys grew up and prospered. The old man used to take the credit for the successful career of the boys, and would interrogate the members of his family in this way, "Aren't yez proud of yer owld father, that can have such foine sons?" I was thinking that the right hon. leader of the opposition was being placed in precisely the same position.

With regard to the Canadian National Railways I would say, "Render unto Caesar the things that are Caesar's." Far be it from me to detract from any credit due to the right hon. leader of the opposition, for whom personally I have a very high regard. In the matter of the Canadian National Railways, not being very familiar with the facts, I am willing to admit that the scheme was perhaps conceived by hon. members opposite, led by the right hon. leader of the opposition, and a great deal of the programme put in action by them. It must be admitted, however, that at the time this government took office the Canadian National Railways was a white elephant. It was like the ugly duckling; no one wanted to father it at the time. Now that the system has been put on a paying basis through the efforts of this government in the appointment of Sir Henry Thornton and in other ways, we believe that a great deal of credit for this very excellent public utility should be given to this government.

In this connection I might quote some figures with which a good many hon. members are familiar, but I will just pause long enough to say that in the year 1921 the operation of the railway alone showed a deficit of $11,000,-

000. This deficit has disappeared and the position has been gradually improved, so that this year we have a surplus of $32,000,000 in the operation of that road.

I believe I have exhausted my material. I am not a very rank politician, and I believe that after all there is not such a tremendous difference between members of this House. I believe we are all perfectly honest, and that we are expressing our views, our sentiments, our beliefs and our convictions as we feel them. I think we are all working for the betterment of Canada and that Canada in no very distant future will be perhaps the favoured land of the world. We are still in the morning of our day; with our cousins to the south it is high noon, and in the
5 p.m. Old Country the day is perhaps well spent. But, Sir, I have enough faith in this country and in the Canadian people to believe that in the very near future we will build a great nation here; we will be the finest dominion on the face of the earth, and I trust that I shall not be damned for my temerity in so thinking.

Mr. J. A. CLARK (Vancouver-Burrard): I am sure my hon. friend (Mr. Howden) will not expect me to review his address in detail. I may say that I enjoyed his remarks very much, but I fear we do not agree in many matters of policy affecting this Dominion. There are one or two observations I would like to make in connection with his remarks. I would draw his attention to the fact that if there was a bread line of 500,000 people in Canada when this government came into office, those people have not since found employment through any efforts of this government; they are now in the United States, enjoying employment there.

Mr. hon. friend quoted the expenditures of this government since it assumed office, in an effort to show that there had been some economy effected. I do not dispute the figures which my hon. friend quoted; they included the railway expenditures, but my hon. friend was not here when this government covered up the actual railway expenditures by guaranteed bond issues, which are not shown in the expenditures referred to. The only way my hon. friend can arrive at any idea of the expenditures of this government is by referring to the public accounts. I have the public accounts for 1925 under my hand, and I would draw attention to the fact that in only one year since this government assumed office was there any material reduction in the ordinary and capital expenditures, exclusive of railway expenditure. That was in the year 1923, when there was a reduction of $15,000,000, largely due to a reduction in war expenditures. There was a reduction in 1924 of $6,000,000 only; a reduction in 1925 of $4,000,000 only, and I draw attention to the fact that, according to the statement made by the Minister of Finance in this House on April 15, the 1926 expenditures show a very large increase over those of 1925. The expenditures shown for 1926 are $342,890,000, whereas the expenditures for the year previous were $339,902,775.94, a very substantial increase.

I would further call attention to the fact that while the estimates for 1926-27, as the minister pointed out, only show a drop of about $4,000,000, the minister admitted that these estimates do not include the supplementary estimates, which will ordinarily run from $7,000,000 to $10,000,000. These estimates do not include about $12,000,000 for old age pensions; they do not include the sum required to take care of the revaluation of soldier lands, nor do they include, unless I am mistaken, anything for the Empire land settlement scheme. Neither do they make provision for rural credits, which may require many more millions of dollars. Thus a very conservative estimate of the expenditures for the forthcoming year would be $20,000,000 to $25,000,000 in excess of the expenditures of the previous year.

Mr. McLEAN (Melfort): Will any money be required for the old age pensions scheme, and most of the other schemes my hon. friend mentioned, this year, if they pass the House?

Mr. CLARK: In connection with the old age pension scheme it depends entirely whether the provinces accept the suggestions of the government. As to the other matters spoken of, it depends entirely on whether this House passes the measures. That remains to be seen.

I hope that my hon. friends from the Eastern Townships in the province of Quebec noted the last speaker's remark that he favours the complete removal of any customs duties upon green vegetables. I wonder if my hon. friends from the Eastern Townships also favour the removal of the duties on these products.

Mr. HOWDEN: May I correct the hon. gentleman? I stated I would be in favour of the entire removal of the duties on green vegetables and fruit up to the time the Canadian produce was ready.

Some hon. MEMBERS: Hear, hear.

Mr. CLARK: So that when the taste for strawberries has been satisfied our own strawberry growers will have the market. Is that my hon. friend's idea?

Mr. HOWDEN: May I ask the hon. gentleman a question? Would he want to throw obstacles in the way of the Canadian people getting the necessities of health—not of life but of health—by keeping out all these products in order to preserve the Canadian market?

Mr. CLARK: I tell my hon. friend that we produce plenty of vegetables good enough for the health of the people without the free importation of American products.

Mr. STEWART (Leeds): And at reasonable prices.

Mr. CLARK: Now, Mr. Speaker, I do not want this interchange to develop into a debate between myself and the last speaker because there are several very vital matters I would like to touch upon.

I think the House will agree with me when I say that the two outstanding features of this budget are the so-called income tax reduction, and the reduction in the duties on automobiles. I propose to refer briefly to the income tax reduction. Undoubtedly there is a reduction on small incomes earned by salaried people who do not receive dividends from corporations. That is obvious. I was very much interested the other day when the hon. member for Brandon (Mr. Forke) spoke on this subject and joined in the general jubilation over the fact that the income tax had been drastically cut on incomes which equal the indemnity of a member of parliament. That was very interesting, particularly after the hon. member's speech in the early part of the session on the Address when he said emphatically that the government should go slow in the matter of any income tax reduction. Now, according to the Minister of Finance these reductions are very substantial. But no word of protest came from my hon. friend that the tax has been removed from that portion of the people who can pay, nor did I hear him raise his voice for the vast body of the common people, for whom he is so fond of talking, and protest against the fact that the sales tax in Canada raised by this government and resulting in an average annual increase since it assumed office of twenty-two and a half million dollars in taxation, is continued. That tax is paid by the common people, and that is the tax which will continue to be extracted from their pockets. I wonder what the common people of this country will say when they hear of that? I wonder what they will say when it really sinks into their minds what these reductions mean to them? Are the common people those who receive salaries of $3,000 and upward, or are they the people who are in receipt of salaries under that amount? If I am not mistaken the great bulk of the Canadian people receive salaries under $3,000, yet no relief is given to them. They are told that this extra twenty-two and a half million dollars of taxation imposed by this government will continue to be extracted hereafter. There you have the budget for the common people whose interests hon. gentlemen to my left so often profess to defend in this House. I wonder if the hon. member for Southeast Grey (Miss Macphail) will approve of this cut in taxation in the interest of those who can pay, and will stand up and vote for the continuance of taxation on the common people, for the extraction of increased taxation to the amount of twenty-two and a half million dollars annually, imposed by this government and continued under this budget?

As to the question of the income tax reductions, may I say this? It is a matter of great surprise to me that the imposition of this income tax has never been legally contested by the corporations of Canada, because I know that although the reduction in income tax under the budget is held as a great thing for the people of the Dominion, yet out of collections amounting to $56,000,000 nearly $32,000,000 is paid by the corporations and an additional $14,000,000 is paid by the manufacturers, making $46,000,000 in all paid by the manufacturers and the corporations of Canada combined. To what extent are these two classes relieved by this budget? The income tax paid by the corporations is reduced, I think from 10½ per cent to nine per cent. That will not account for a reduction in excess of $3,000,000 unless, due to the acts of this government a number of these corporations go out of business this year, and I am inclined to expect that. But if business continues as it has continued during the past year these corporations may pay $3,000,000 less than they paid last year. On the other hand the manufacturers who are paying $14,000,000 will now pay in excess of that amount because they are taxed this year on their dividends, whereas last year their dividends were relieved from the normal tax although they paid the surtax. This year the particular class that pays the $14,000,000 will pay, I venture to say, in excess of what they paid last year. And when the Minister of

Finance predicts that this is a reduction in the income tax I question it very much. There is a reduction, as I said before, of income tax in the case of such people as earn an amount equal to the indemnity of a member of parliament, but not in the case of the class that actually pays the great portion of the income tax in Canada.

I repeat, the two classes that pay are the corporations and the manufacturers. All but about $10,000,000 of the total income tax is paid by these two classes. I mentioned that I was surprised that the imposition of this tax had never been tested by any corporation. Note the ingenious manner in which the Minister of Finance referred to this feature in his speech the other day. He stated that the special war revenue taxes received during the fiscal year 1925-26 amounted to $154,580,000, and added:

> The total expenditures directly attributable to the war—and I desire to especially direct this to the attention of the House—will amount to some $163,997,000, or $9,417,000 more than the receipts from our special war revenues.

Now the minister knows better than I do that that statement is not in accord with the facts and not in accord with the public accounts of Canada. Some time ago I received a statement, in answer to a question, which showed an increase of $121,896,099 in the interest on the public debt since 1914, and the Minister of Finance attributes that whole increase to expenditures due to the war. Now that amount is nearly double the amount of interest on the public debt due to the war, as I see it. The Minister of Finance asks this House and the country to believe that practically the total national debt to-day is directly attributable to the war and that the debt has not been increased by cash advances of nearly $600,000,000 to the railways, for instance. The public accounts of Canada for 1925 show that the total cost not only of the war but of demobilization was $1,694,365,809.60. If that whole amount is charged up to or added to the national debt, it does not account for more than sixty per cent of the total interest which the Minister of Finance attributes to the increase on the debt due to the war. I wonder if the minister makes that statement in order that he may be on safe ground, in case the legality of the direct income tax for purposes other than the war is tested? Because I say emphatically that the special war taxes now collected by this country exceed by many millions the sum required to take care of war expenditure, and in so far as income tax is applied to purposes other than special war purposes it is ultra vires of the parliament of Canada, parliament having no power to impose direct taxation for anything other than war purposes.

I should like to give a concrete illustration of the effect of the present income tax proposals on a business that makes net profits of $55,000. That might be considered a comparatively small corporation. At nine per cent that corporation will pay a tax of practically $5,000, leaving for distribution about $50,000. Assuming there were ten equal shareholders in that company, each would receive in dividends $5,000. A year ago these shareholders would not have paid income tax on those dividends. I am not sure whether I am absolutely correct in that; I know I am correct up to $4,000. In any case none of it was subject to the normal tax of four per cent, and I do not think the surtax would come into operation on an income of $5,000. This year, on the other hand, those ten men, each one of whom would have paid $495 by way of income tax into the revenues of this country through the Corporation tax, will pay an additional sum greater than the member for Brandon (Mr. Forke) who is so jubilant because his income tax is being reduced, will pay on his $4,000 indemnity. That will be accentuated in the case where a shareholder of a corporation receives very large dividends. The Minister of Finance stated it was his desire that such moneys might find their way back into industry, but as a matter of fact there will be less available to go back into the industry this year than there was last year.

I turn now, Mr. Speaker, to the reduction of the tariff on automobiles. The only reason given therefor by the Minister of Finance or by his government, was that there was a pronounced sentiment in Canada that the automobile industry was receiving too much protection. Well, since when have governments brought down sentimental legislation? Why was some reference not made to the pre-election pledges of the Prime Minister in this connection? Why was no reference made to the solemn pledges that appeared in the Speech from the Throne? I think it might be well to refer to two or three utterances of the Prime Minister during the campaign, as to how he felt when he appealed to the voters of Canada for their support. I refer to a speech made at Kingston, reported in the London Advertiser of October 20, in which the Prime Minister is quoted as saying:

> "We realize that our industries here have to have safeguarding with respect to competition from other parts of the world, competition from the country to the south, competition from conditions as they are in Europe, and we think that is all the more reason why

in these days of depreciated currencies and the like we should have the benefit of expert advice and information on all these great questions of the tariff.

This city of Kingston need have no fear from Liberal administration as to the well-being of its industries. The industries would be taken care of. The government had no desire to injure established industries, quite the contrary."

Speaking at Fort William on October 12th, the Prime Minister is reported as follows:

"We don't want to work injury to any industry." he urged, "we want to help, as far as possible, all industries. We hope to make such readjustments of the tariff as will develop the industrial life of our country from one end of the country to the other."

He referred to a Fort William starch factory. He had, he said, been asked if it would not be possible to give home industries more protection and get the industry started again.

"How in such a case," asked the Prime Minister, "would the tariff board proceed? We would," Mr. King continued, "expect the member of the division to go before the board and present the case of that industry. We would expect a deputation of persons interested; then we would expect the tariff board to make a careful study of the whole subject and say whether some readjustment of the tariff could not be made here and there.

If we were advised that a readjustment could be made of the tariff schedule that would serve to put the great industry on its feet again without undue injury to consumers the government would certainly be inclined to accept in a sympathetic way any suggestion of that sort. In revising the tariff there would be no intention of protecting special interest."

If inquiries of the board, however, might show that in some cases the tariff would have to be lowered, in some cases there might have to be readjustments here and there upwards. The aim would be to have a tariff suited to the needs of the country and to needs of the people.

I have many other utterances of the Prime Minister along similar lines, but these suffice to show that he gave his word to industry in this country that no industry would be affected by any adjustment of the tariff without a proper investigation by the tariff board. I would like to ask the Prime Minister why he has broken his word to the Canadian people? I would like to ask the government why they have broken their solemn pledges, given in the Speech from the Throne, that all industries would be investigated by the tariff board before any revision upwards or downwards took place. Apparently they are dumb. Attempts have been made to bolster up the position of the government by some of my friends to the left and some of my friends from Saskatchewan. The government could find no reason except that of sentiment. Their friends have been floundering around trying to find some reasons, all of which are just as ridiculous as the reason advanced by the government that they were doing this for sentimental reasons.

The hon. member for Brandon, in his efforts for the benefit of the common people, wants to get cheaper cars for them. I do not think the common people in this country are as much interested in getting cheap cars as they are in being relieved of the burden of taxation imposed by this government and also in finding employment and in retaining the employment which they now have.

The hon. member for Macleod (Mr. Coote) said: "The profits in this industry are too great." Is that not one reason why the tariff board was established, so that these questions might be referred to them for investigation in order that they might ascertain the profits and determine whether or not they were too great?

He made another suggestion, namely, that it would be more patriotic on the part of the Canadian people to buy United States cars and to pay the duty than to buy Canadian cars made by our own Canadian workmen. He supports that argument by certain figures. He states that if in 1924 we had imported all our cars, the Canadian government would have received $20,000,000 by way of customs revenue, whereas, he says, as a matter of fact they received only in the neighbourhood of $1,581,882. I will do my hon. friend this justice; I do not dispute these figures because I have not investigated them. But I have the corresponding figures for 1926 from the Customs department, and they show that if all cars sold in Canada last year had been imported the customs duty would have been about $17,000,000. They show that the net customs duties paid by automobile manufacturers, after drawbacks are deducted, are about $4,500,000. The automobile manufacturers themselves say that they paid net duties, after allowing for all drawbacks, amounting to $7,418,513. I take their statement without hesitation because I know they import many articles which are not classified as automobile parts. In addition to that about two hundred "parts" men have stated that they pay in duties $1,168,411, making a sum of $8,586,925 net payment to the Canadian customs for the year 1926. There is a considerable difference between $17,000,000 and $8,586,925, but the House should bear in mind that this industry paid also $2,000,000 in income taxes. A considerable sum paid by "parts" manufacturers is not reported and there is a certain amount of income tax paid by 22,000 men employed in this industry.

Mr. ROBB: My hon. friend has just made a statement as to how much the industry paid in income taxes. Under the Income Tax Act no person is allowed to give out such information. Where did he get it?

Mr. CLARK: I do not think I am bound to answer my hon. friend. I have a statement from the Department of Finance showing, as I stated before, that corporations in Canada paid $32,000,000 of the $56,000,000 in income tax and that manufacturers paid an additional $14,000,000, making a total of about $46,000,000 paid by corporations and manufacturers. It is pretty safe to assume that the automobile industry paid $2,000,000. I took those figures from public statements made by the automobile industry.

Mr. ROBB: That is all right.

Mr. CLARK: I rely on them and I do not think my hon. friend will dispute them. I hope the Minister of Finance will not dispute the fact that these 22,000 employees in the automobile industry and subsidiary industries pay some income tax and that they also contribute a part of the enormous sales tax that is being collected in this country. The burden of the sales tax bears on those employees and they are subscribing very largely to it. I do not think the Minister of Finance will dispute the fact that their hundred thousand dependents pay a considerable amount into the Customs department of the $120,000,000 odd collected by that department, nor will he dispute the fact that they pay some stamp taxes. Let me say just here that this stamp tax has grown since this government came into office from, approximately $2,000,000 to about $9,000,000.

Mr. HOWARD: Prosperity.

Mr. CLARK: No, increased taxation. When this government came into office a two cent stamp had to be put on a cheque. Now it is more likely to be a dollar. Last year in my own very small office in Vancouver, I cannot give the exact figure, but I know the stamp taxes were much in excess of $250, so that my hon. friend can see how heavily this tax bears on the people of Canada. The Minister of Finance may well take off some of the income tax when he increases the stamp tax to $9,000,000, a tax that does not bear fairly on the Canadian people. It is the people who are paying out money or borrowing money for their needs who are taxed for that privilege.

Now, referring again to other contributions made to the revenue of the country by these individuals, I venture to say that their payments to the provincial and municipal governments are almost as great as to the federal revenue, and possibly greater. So that when hon. gentlemen have the hardihood to suggest that it is more patriotic to buy American cars than to maintain the Canadian industry by keeping on the duties, I say that any simpleton can sit down and figure out for himself just what this industry means to the treasury of the Dominion. The automobile industry and its employees pay probably 100 per cent more in taxes than would be paid in duties by the Canadian people if they imported all their cars from the United States. I think I am well within the mark when I say that they pay in taxes to the Dominion and to the provincial and municipal governments a sum not less than $30,000,000.

The hon. member who last spoke (Mr. Howden) implied that the wages paid to the employees in this industry were not great in comparison to the value of the finished product. I will do him the justice to admit that he was fair: he did say that a substantial sum was paid in wages, but he qualified the statement. I am sorry he is not here, because I would point out to him that in this industry considerably over sixty per cent of the value of the finished product consists of materials. The hon. member for Macleod (Mr. Coote), in a speech he delivered in this House a few weeks ago made the statement that the total wages paid in the automobile industry were insignificant in comparison with the total value of its output. Once more let me say, the manufacturers of automobiles in Canada assert that they pay in salaries and wages the sum of $17,595,282, while the subsidiary industries which manufacture automobile parts declare that their payroll amounts to $14,036,668. My good friend from Macleod referred particularly to the Ford industry, stating that the wages paid amounted to about $7,000,000 as against a total production valued at something like $88,000,000. He had the Ford statements before him, and I am sure they cannot be controverted, for the Ford people would not risk giving false returns. Well, those returns show that their expenditures in materials in Canada during the last year amounted to approximately $20,000,000. These materials consisted of such things for example, as automobile wheels. Now surely it requires labour to produce automobile wheels, so that a great deal of that $20,000,000 would represent wages paid to labour.

And would it be suggested by anyone that of the $7,775,000 paid in freights by the automobile manufacturers and subsidiary corporations last year a considerable proportion does not represent employment to the Canadian people? What will be the effect upon Canadian railways if we import automobiles from the United States? I know what the effect will be in British Columbia: automobiles will be assembled in Seattle and will be shipped

over the Great Northern railway into Vancouver instead of over the Canadian National railway from Toronto or Walkerville. They will come over American roads from New York and thence by way of the Great Northern into Vancouver, and into Winnipeg and other prairie points. Furthermore, when a commodity is manufactured in Canada it means that the railways move at least four carloads of freight to every one that is moved if the article is imported in the finished state, because there is the hauling of raw materials to the factory to be considered. I have no doubt every manufacturer will agree with me that at least four carloads of freight will move in the case of the article manufactured at home as against one when the finished product is imported.

Mr. HOWARD: Will the hon. member say whether or not he is in favour of putting the duty back to 35 per cent?

Mr. CLARK: I say yes, unhesitatingly. Let me ask the hon. gentleman a question in turn. Is there a silk manufacturing concern in his constituency?

Mr. HOWARD: Yes.

Mr. CLARK: Is the hon. gentleman in favour of continuing the 35 per cent duty on silk?

Mr. HOWARD: I do not think it is in order to answer the question, but I should like to reply to the hon. member.

Mr. CLARK: Go ahead.

Mr. HOWARD: If the silk industry in Sherbrooke is taking advantage of the tariff to the detriment of the Canadian purchaser, I say take the duty off.

Mr. CLARK: How would the hon. member proceed to find out whether that industry was taking advantage of the tariff?

Mr. HOWARD: The prices will tell.

Mr. CLARK: I think you will agree with me, Mr. Speaker, that I have been franker with my hon. friend than he has been with me. I state unhesitatingly that I would put the duty back to 35 per cent and turn the tariff board loose on the industry. I am in accord with the policy announced by the Prime Minister (Mr. Mackenzie King) in his election pledges; I am in accord with the policy announced by the government in the solemn pledge given in the Speech from the Throne, that no industry would suffer without investigation. This government has broken its pledges; the Prime Minister has not kept his word to the people of Canada, and all that one needs to do to prove this is to read the statements I have quoted this afternoon.

Mr. MOTHERWELL: The views the hon. member is expressing are not embodied in the amendment.

Mr. CLARK: They certainly are embodied in the amendment. I have not spoken to my leader, nor have I discussed this particular question with any member of the party on this side, but I am sure that the feeling of hon. gentlemen over here would be that the duty should be put back to 35 per cent, and the industry investigated by the tariff board.

Mr. MOTHERWELL: I should like to see the Manitoba Tories vote for it.

Mr. CLARK: They will vote all right; the Minister of Agriculture need not worry.

Mr. MOTHERWELL: I am not worrying at all.

Mr. CLARK: I come from a constituency in which neither automobiles nor automobile parts are manufactured, and there is just as much likelihood of the reduction being popular there as it will be on the prairies. But I am man enough to stand up and declare that I want to see justice done to the people of Canada, no matter where they may be located, whether in Ontario, in Saskatchewan or anywhere else. And I say that justice has not been done in this case. A grave injustice has been done, and the Minister of Agriculture is a party to it.

Mr. SPENCE (Maple Creek): Has the hon. member seen the statement of Mr. Ford in this morning's papers?

Mr. CLARK: Yes. Would not Mr. Ford just love to see free trade in this country? Would it not have been a great thing for Mr. Ford if no tariff had ever been put on against the importation of American automobiles? Do you think Mr. Ford wanted to come to Canada to manufacture cars? Did any other American firm want to come here to manufacture for the Canadian market? Would they not have been delighted to supply the Canadian market from their United States factories? And would not Mr. Ford have made infinitely more money out of Canadians if there had been no tariff? Let me tell my hon. friend what happened. The Ford Company of Detroit was started with a

capital of $28,000. To-day it has net profits in excess of $100,000,000 a year—profits largely in excess per car of the profits made by the Canadian Company. Now then, the Canadian Company commenced with a capital of $125,000.

An hon. MEMBER: How much cash?

Mr. CLARK: Last year the profits of that company were quoted by an hon. member at about $6,100,000. The stock valuation of the Ford Company in Detroit has grown to $6,000 per share; that of the Ford Company of Canada to $425 per share. But since the government announced its policy the stock has dropped 160 points.

An hon. MEMBER: Hit it again.

Mr. CLARK: I realize that that is the policy of my hon. friend from Saskatchewan. I am not here to defend the Ford Company or any other manufacturer. What affects me is this: there are very few automobile manufacturers that have not got their main plants in the United States, and they would just as soon go back there to-morrow and supply the Canadian market. But I do believe in some sense of justice, in some sense of fairness on the part of members from Saskatchewan towards those 22,000 workers and their 100,000 dependents who are located in one small part of Ontario—a province which, by the way, contributes 50 per cent of the total revenues of this country. I appeal for fairness to a province that is able to do that. It is not my province, but I do feel, no matter what province it may be, our object should be to keep good Canadian people here.

It might be well at this point for me to mention that the Ford Company of Canada, for instance, since 1913, has made price reductions of 41 per cent, while during that time all other commodities have increased in price, so that it takes to-day $155 to purchase what $100 would have purchased in 1913. That reduction, I believe, is due largely to two things: keen competition among the manufacturers of cheap cars, and the economies effected by the Ford Company at Ford, Ontario, through mass production.

Why does it cost more to manufacture automobiles in Canada? I have only to refer the government to its own returns for 1925, which show a drawback of customs duty on automobile parts amounting to $4,426,801.66, and an export value of automobiles totalling $26,030,389. The drawback was one-sixth of the total value, or slightly over 16 per cent. That increased cost of manufacturing a car in Canada is due to the imported parts that enter into its manufacture. I think that is of sufficient importance to repeat in another form. It is said on all sides, "Why cannot these Canadian manufacturers turn out cars as cheaply as they do in the United States"? Well, it is a comparatively new industry to this country; many of the component parts are not yet manufactured here, and the domestic market for automobiles has not yet warranted the erection of Canadian factories to manufacture those parts. The manufacture of parts is already a considerable industry in this country, but there are still many parts, particularly engines, that cannot be manufactured here. It will probably take some time before we can develop the automobile industry so that the whole manufacture is done in Canada. In the meantime the cost of production throughout the whole industry is increased by 16 per cent on cars for distribution in Canada by reason of the customs duties paid on imported parts. I do not know whether the Minister of Finance is smiling at my remarks or not, but let me tell him I am not now quoting figures supplied by the automobile manufacturers, I am quoting figures furnished by the Customs department. That one feature alone increases the cost of manufacture in this country tremendously.

Mr. ROBB: We are returning 25 per cent of the duty paid, and I should like to make it clear that that rebate goes to the manufacturer of parts as well as to the manufacturer of automobiles.

Mr. CLARK: I do not think the average Canadian manufacturer to-day is in a position to produce 50 per cent of the car.

Mr. ROBB: That is the milk in the cocoanut—that is what all the row is about.

Mr. CLARK: I think the minister will agree that our manufacturers have increased their percentage of manufacture tremendously in the last few years. Then again, the manufacturer will be put to so much trouble in applying for rebates on his parts that it will require an extra staff and the cost will be almost prohibitive. Further, I say that the manufacturer of parts in Canada is entitled to consideration by the tariff board.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. CLARK: Mr. Speaker, when the House rose at six o'clock I was dealing with the statement of the Minister of Finance that there will be a 25 per cent rebate of duties

paid on parts imported for the further manufacture of motor cars, and I think I had given three reasons why that would not be of any material advantage to the industry. In order to take advantage of that rebate it will be necessary to manufacture fifty per cent of the car in Canada. Now that I admit is a very laudable ambition, it is one to which we all aspire. But the very effect of a reduction in the duties on parts will be to cause even less of the car to be manufactured in Canada than at present, because the manufacturers will be forced to buy the parts where they can buy them the cheapest; they will naturally import more parts from the United States where mass production is carried on and where the parts are cheaper. One instance of the effect of mass production is given by the Ford industry, the only automobile industry in Canada which has reached a high percentage of production in Canada. I understand that the figure is from 80 to 90 per cent. However, that industry, as we all know, is not one which is most affected by the cut in the tariff; it is the least affected although it is the industry which this government aimed at when it reduced the tariff. I think that other manufacturers of motor cars in Canada have hardly reached the fifty per cent basis. I doubt if many of them have got beyond forty per cent, although the percentage has undoubtedly increased in the last few years; it is on the increase to-day, and if the industry were given a fair chance that increase would in the very near future reach a figure well in excess of the fifty per cent.

May I point out to the Minister of Finance that the wages and the purchases of the automobile industry indicate the enormous value to Canada of that industry? First of all, the wages paid by the manufacturers themselves and their subsidiaries amount to $31,500,000. Then as to the very large purchases, two instances might be given. Ford purchases in Canada, $32,431,000 worth of goods, though he only sells to Canadians to the extent of $25,914,000, leaving for circulation in Canada the enormous sum of $6,716,840. Another instance might be given, the General Motors. They make purchases in Canada of Canadian materials amounting to $35,733,390, whereas they only sell to the Canadian people goods to the value of $34,044,048, leaving a balance for circulation in Canada of $1,689,342. And may I state, so far as Ford is concerned at any rate, that because he produces from 80 to 90 per cent in Canada, very little of the money received by that company goes out of this country. For instance last year I think the company declared in dividends a little over $1,000,000. I do not know what proportion of the stock is held in Canada; but dividends are paid in this country, so that a very small amount of money is going out of Canada by reason of the fact that a portion of the capital is supplied by citizens of the United States.

Now the minister proposes, by reducing the duty, to cut down these purchases which are now made in Canada, by making it easier for the manufacturers to buy from the United States. As shown by a ruling of the Department of Customs, the minister is going to cut the duties on 130 parts by 25 per cent if the manufacturers manufacture fifty per cent of the finished article in Canada. I point this out to the minister: that even though all these manufacturers qualify for that reduction the minister would still be charging the manufacturer who manufactures his car in Canada a higher duty on parts than he will exact from me if I purchased a car in the United States. Let me put it in this way; the minister says to me "Clark, if you buy a car made in Canada I will see that you pay from 25 per cent to 35 per cent on every part imported from the United States that goes into that car. If that manufacturer happens to make fifty per cent of your car in Canada I will give him a rebate of 25 per cent, but if you will buy a car that is fully manufactured in the United States, made by American workmen, with American capital, I will charge you only 20 per cent duty." Has there ever been an instance where this government has subsidized American manufacturers in preference to Canadian manufacturers? This is a case where the minister is subsidizing American manufacturers, encouraging Canadians to buy American cars, because if they do so they will pay less duty on parts than they will pay if they purchase Canadian cars. These are some of the reasons why the minister's suggestion of a rebate is of no value. I may point out that only four out of 134 articles will come into Canada at a 20 per cent duty, namely, the automobile cover, the body, the chassis and the wheels. There are 130 other parts which will come in at the old duty.

Before I was interrupted by the Minister of Finance I was giving some reasons why cars manufactured in Canada cost more than cars manufactured in the United States. Another reason is the high taxation in Canada. It has been generally admitted that about twenty-five cents out of every dollar of our net production goes into taxes, municipal, provincial or federal. There is an enormous tax on industry, and I showed quite clearly before the House

took recess that that taxation largely falls upon corporations and manufacturers and the result is to increase materially the cost of manufacture in Canada.

Another reason is the cost of distribution. The minister knows that we have a wide area over which to distribute motor cars. Then we have the fact that the freight rates from Toronto to Vancouver are enormously high, compared to those paid in the state of New York by manufacturers there, or by the manufacturers in Detroit in the state of Michigan. Our large area and sparse population also accounts for the increased cost of selling a car in Canada as compared with the United States. I venture to say that on a car which costs $2,000 in Canada, at least $100 of the additional cost to the consumer is the extra cost due to the increased commission paid to dealers. Add to that the extra freight charges and you have an enormously increased percentage cost to the Canadian consumer of a Canadian car. Furthermore much of the misunderstanding which has arisen in connection with motor cars and their cost is due to the fact that the Canadian consumer must pay the five per cent sales tax, the five per cent luxury tax on cars under $1,200, the ten per cent luxury tax on cars over $1,200, making ten per cent on cars under $1,200 and fifteen per cent on cars over $1,200. We are inclined to compare the cost to us of a car delivered in the outlying parts of Canada with the price at which an American may buy his car in the state in which it is manufactured without any of the taxes, except the three per cent luxury tax. Nothing could be more unfair than that.

Another reason why the cost of manufacture in Canada is greater than in the United States is the mass production. For instance, twenty-five cars are produced by Ford in Detroit to every one produced in Ford, Ontario. If any of my hon. friends were manufacturing, for instance, binders, and had a factory which could produce only one binder a day, and I have a factory where I can produce twenty-five binders a day, in which factory do they think we would get the more efficiency and the cheaper binder? I venture to say it would be in my factory. With efficient management, if I were manufacturing twenty-five binders a day, and one of my Saskatchewan friends was producing one a day in his factory, I venture to say I could produce my binder anywhere from twenty per cent to twenty-five per cent cheaper than he could manufacture his.

Now Mr. Speaker, what protection is left to the automobile industry in Canada? I should like to take one practical illustration of a car which is manufactured in Canada. Take, for example, the Overland five-passenger touring car. Under the tariff as it now stands at 35 per cent, the duty on that car is $136; under the revised tariff it will pay $77.70. It so happens that the Overland Company import parts for the manufacture of that particular car on which they pay duties to the amount of $74. I hope my hon. friend will follow me.

Mr. ROBB: I am following the hon. member. I would like to know on what valuation he bases that $136?

Mr. CLARK: On the valuation on which the tariff is charged, which I think is the price to the wholesaler from the factory. Am I right?

Mr. ROBB: I want to know in dollars and cents what is the value of the car.

Mr. CLARK: I cannot give my hon. friend the exact value—somewhere around $400 or $420. But I do know—if my hon. friend will investigate he will ascertain the fact—that the duty now paid on an Overland five-passenger touring car is $136; that the duty on the same car when this tariff goes into effect, if it does go into effect, will be $77.70, and that the duty paid on parts which go into the manufacture of that car is $74. That leaves for the company a protection of exactly $3.70; in other words their protection is wiped out at one fell swoop by the drastic reduction of 42 per cent. I ask my hon. friend what is going to be the effect of this reduction upon the British investor—perhaps not the British investor because it does not come home to him so much, but the American investor—

Mr. ROBB: Before my hon. friend proceeds with the argument, in the $74 duty on the parts has he allowed the 25 per cent drawback?

Mr. CLARK: No I have not, because in this particular car I believe fifty per cent is not manufactured in Canada.

Mr. ROBB: Then I admit frankly that we intend that these companies shall manufacture fifty per cent in Canada. That is the idea.

Mr. CLARK: That is an arbitrary statement on the part of the minister irrespective of whether or not it is possible for companies to do that. I thought I had elaborated that portion of my argument, that some companies started out simply as assembling plants in which not more than ten per cent of the total value would be manufactured in Canada. That percentage is gradually being increased. In fact an increase is necessary in order to take

advantage of the British preference which requires 25 per cent Canadian workmanship and material and which I understand will be increased in the near future. I also know and my hon. friend knows it is the ambition of every manufacturer to increase his percentage of production in Canada. For example, a company which three or four years ago had just installed itself in Canada and was doing say only ten per cent of the production here, and has to-day worked up to thirty per cent, a laudable increase—that company to-day, if it is in the position of the company to which I have just referred, has its protection absolutely wiped out by this budget. It is not even given an opportunity of increasing its production to fifty per cent.

Mr. ROBB: How can my hon. friend argue in favour of industries getting away with manufacturing only ten or twenty-five per cent in Canada and in the next breath condemn the British preference because we allow goods to come in with only twenty-five per cent being manufactured in England?

Mr. CLARK: I have not condemned the British preference. When did I condemn it?

Mr. ROBB: A party over there has.

Mr. CLARK: I will not get into an argument with the minister over the British preference.

Mr. ROBB: He had better not.

Mr. CLARK: That is a big subject. I do not fear for one moment debating that subject with the minister, but he is in a position now where he knows he has done an injustice to a certain industry and he is not willing to stick to that point.

Mr. ROBB: No, no.

Mr. CLARK: I propose to confine myself to it. As regards the British preference on this particular thing, I am willing to engage my hon. friend on it. I have shown distinctly, I think, that the Minister of Finance and his government have wiped out the protection for the average car manufactured in Canada. I have shown that by a concrete illustration which he cannot refute and which no member of his ministry can refute.

I am sorry the hon. member for Brandon (Mr. Forke) is not in the House to-day, because I was particularly interested in a remark which he let fall the other day when the hon. member for Fort William (Mr. Manion) was speaking on this matter. The hon. member for Fort William stated that this export trade with Great Britain was of great advantage to Canada. The hon. member for Brandon interrupted saying: That weakens your argument. I presume what he meant was this, that because we can export to England in competition with United States manufacturers, we should therefore be able to compete with them in Canada without protection, or with the protection we have, or with the protection which is proposed. I know quite well the hon. member for Brandon has not made a study of the question or he never would have made that observation.

In the British market under the British preference we have to-day an advantage over our United States competitors of 11½ per cent. I showed this afternoon by a reference to the drawback of customs given for parts imported from the United States on a Canadian car going into the British market, the cost of manufacture of a car in Canada for distribution to the Canadian people is increased by sixteen per cent. In other words, a Canadian manufacturer who gets a drawback on his parts for cars for export, gets sixteen per cent of the total cost of production of these cars for export refunded to him by the Customs department. That gives him another sixteen per cent protection in the British market as against the United States manufacturer, a protection of sixteen per cent that he does not get in the Canadian market on cars which he manufactures for Canadian trade. That makes in all a protection of 27½ per cent on those two features alone, which the Canadian manufacturer gets in the British market over his United States competitor. That is why the Canadian manufacturer is able to export cars to Great Britain and compete in that market with the United States manufacturer, and that is also why the Canadian manufacturer can sell his cars cheaper in the British market under the British preference than he can afford to sell them in the Canadian market.

Mr. MacLEAN (Prince): Does the hon. member not think it is about time Canadian people were getting some consideration when the manufacturer has had this privilege of exporting and getting a drawback of twenty-five per cent? He has been reaping the advantage of that and the country which buys these cars has been getting the benefit. It is time for the Canadian people to have some benefit.

Mr. CLARK: My hon. friend did not really ask a question; he has made a speech. My hon. friend was not here this afternoon when I gave figures showing the advantage which Canadians are getting from this. I gave figures

which showed that the General Motors spend annually considerably over one million dollars more in Canada than they take from the Canadians. By reason of this export business they leave in Canada considerably over one million dollars a year for circulation in this country. Ford leaves in Canada something like $6,700,000 for the same reason. Is that not something for the Canadian people? We pay less to these companies for the cars we buy from them than they pay to us for the things they buy from us. Supposing my hon. friend has a store and I buy from him annually $1,000 dollars worth of goods and he buys from me only $900 worth, would he try to put me out of business?

Mr. MacLEAN (Prince): Not at all, unless I was paying too much for the privilege of keeping my hon. friend in business.

Mr. CLARK: I do not think my hon. friend would be sacrificing $1,000 worth of business from me when he was buying only $900 worth from me. That is the position of these automobile manufacturers in Canada. They are buying more from us than we are buying from them. Are the Canadian people getting anything? Is that of any advantage to them in addition to the fact that these manufacturers are employing more than 20,000 men and supporting more than 100,000 people directly as a result of this industry?

Mr. MacLEAN (Prince): Just a moment to clear up the point. I would ask the hon. member if according to the statistics, the protection we are affording these industries is not costing the country about $5,000,000 more than the total wages paid to all employees—

Mr. CLARK: The hon. member unfortunately was not here this afternoon, when I showed clearly how much these companies are paying to Canadian workmen in salaries and wages. I will repeat for his benefit that in wages alone the automobile industry is paying to Canadian workmen $31,500,000, but I do not propose to go over my whole speech again. If the hon. gentleman will read Hansard he will find his question answered.

Mr. DONNELLY: Does that amount represent wages to labourers alone or does it include salaries paid to garage men?

Mr. CLARK: It is the amount of wages and salaries paid to employees engaged in the plants of manufacturers of automobiles and manufacturers of parts. It has nothing to do with garage men.

Mr. DONNELLY: Where does the hon. member get his figures?

Mr. CLARK: I told the Minister of Finance this afternoon where I got them. Apparently hon. gentlemen from Saskatchewan were absent, and if they like my good friend from Prince Edward Island (Mr. MacLean) will read my speech they will see that the figures I have quoted are authentic. The Minister of Finance did not suggest for a moment that he could controvert them.

I do not advance these facts, Mr. Speaker, in justification of a tariff of 35 per cent, but I do state them as a reason why the Prime Minister (Mr. Mackenzie King) should have kept his word to industry as given in his pre-election speeches; I state them as a reason why the government should honour the pledge made in the Speech from the Throne, that no changes should be made in the tariff until there had been a fair opportunity to investigate the facts.

Mr. PARENT: What difference would that make so far as the soundness of the reduction is concerned?

Mr. CLARK: I do not intend to make my speech over again; I was cross-examined on that point this afternoon. In the light of the industry's experience since other reductions have been made we should not sacrifice any other industry of great importance without due investigation. When I recall the effect of reductions on other industries, such as the woollen and steel industries as well as industries in my own constituency, I am convinced that the government is taking a fatal step in making the present proposed reduction without investigation. I believe it was in 1923 that this government cut the tariff on saw-mill machinery. My hon. friend from Comox-Alberni (Mr. Neill) made the statement in this House that because of that reduction many new mills had been built in British Columbia; I absolutely dispute that suggestion. Indeed, as a result of the reduction, several industries in Vancouver have been closed down. One firm which manufactured logging engines, with an output of two engines per month, was supplying the trade in British Columbia, and it was obliged to close down within six months of the tariff cut. That industry to-day employs only four men who are engaged in repairing logging engines imported from the United States, and the proprietor is acting as agent for an American manufacturer of the very article which he himself formerly turned out.

Take the steel industry also. This is undoubtedly a basic industry, if any is, and we

find that far from there having been any progress there has been a retrograde movement in this case since the present government came into office. In the calendar year of 1912 Canada produced 821,000 gross tons of steel ingots; in 1913 this had increased to 1,066,000 tons. In 1923 the production in this industry had fallen off to 840,000 tons and in 1924 there was a further shrinkage to 625,000 tons.

Mr. McLEAN (Melfort): What were the figures for 1921?

Mr. CLARK: I have not got them here but they were in excess of these.

Mr. PARENT: Is not that explained by the fact that less steel has been used because of a greater consumption of cement in the construction of bridges and other structures of that sort?

Mr. CLARK: The hon. gentleman knows that since this government reduced the duties in this industry the imports have increased. The government dealt a body blow to the industry, and if hon. gentlemen opposite want to realize the extent of the damage done they may look at the Maritime provinces. Let them consult the stock market for British Empire Steel. British Empire Steel first preferred has declined from the thirties until to-day it is around seventeen, while second preferred, which formerly stood at about ten, is to-day only in the neighbourhood of two. And so on. Algoma Steel is in pretty much the same condition; I do not know the state of the market for its stock but certainly it is not active. Now we all know that the steel industry is one of the basic activities of Canada. And that industry is dead, its death being attributable almost entirely to the action of the government.

Mr. STEWART (Edmonton): The government never touched the steel industry.

Mr. CLARK: What did they do when Mr. Massey came down and requested that consideration be given in the matter of certain steel parts? The government put those parts on the free list and so crippled the industry.

Mr. STEWART (Edmonton): Simply the parts entering into the manufacture of binders.

Mr. CLARK: In return for that concession Mr. Massey joined the Liberal cabinet. He stuck around the buildings here for a couple of weeks pleading his own selfish interests at the expense of other subsidiary manufacturers. The minister knows, however, that the automobile manufacturers to-day are not hanging around asking this government to help themselves by cutting the throats of the parts manufacturers.

Mr. STEWART (Edmonton): To what extent did the reduction in the duty on parts entering into the manufacture of farm implements affect the general steel situation?

Mr. CLARK: I do not need to go into that.

Mr. STEWART (Edmonton): Of course not; but if the hon. member will go into it he will find the answer to the question.

Mr. CLARK: The result of the reduction was that imports from the United States increased. And what has been going on in the steel industry in the United States at the same time? In fifteen years we find that while Canada has been standing still in the steel industry, the increase in United States production has been 75 per cent. It might be well at this point for me to refer to the remarks made by the hon. member for Bonaventure (Mr. Marcil) yesterday in claiming credit for the great advances in the stock market last year. Well, recently there has been a dreadful slump, and I am not sure that it is not equal to the advance of last year; it certainly is in those industries affected by this government's tariff policy. I am advised by authorities who should know that there is now in progress very heavy selling of Canadian securities, due to the new provision respecting income tax on Canadian investments. This action of the government will drive a large amount of capital out of Canada for investment in American securities, and the people who so invest will probably open American bank accounts and leave their money in the United States, thus escaping Canadian income tax on their American investments. My hon. friend the Minister of Finance in suggesting that he has done this to enable our capitalists to reinvest their money in Canadian securities must know that his suggestion is a joke; it cannot be done.

What is the situation in Canada to-day? We find our crops have been good. Does the government suggest that it was responsible for the increased production of the soil last year? We find the pulp and paper industry is thriving. Well, that industry will thrive until the natural resources on which it depends are exhausted. If my hon. friend the Minister of the Interior will examine the records in his own department, he will find his experts estimate that within our own time the available accessible supply of pulpwood

in this country will be exhausted. We have a greater production also in the mining industry and in the fishing industry. Those are about the only industries in Canada that are making progress. But let me point out that they are all wasting industries. Take, for instance, the mining industry, we have Cobalt worked out and the industry receding into the Porcupine, and now into the Red Lake district. We have other examples in the Yukon and the Rossland mining camps. We have another example in the fishing industry on the Fraser river. A few years ago you could see from the train millions of fish in that river; to-day, Mr. Speaker, as you know from your own investigations that is no longer the case.

To-day my friends from Saskatchewan are jubilant because of their great wheat crop last year and because of their control of the world's market in that commodity; but I warn them that when Russia is reorganized she will be again a formidable competitor in the wheat market of the world, and that market is not likely to expand.

Bearing all these things in mind, Mr. Speaker, we should devote ourselves to a more diversified industrial development. With the example of exhausted natural resources in other countries, one would think Canadians would make it their first concern to manufacture their natural resources at home and make it possible for the country to support a larger population and produce greater wealth. Since this government came into office it has driven over 500,000 young Canadians, the very best of our stock, to the United States because it has preferred to encourage American industry at the expense of Canadian.

My friend from Brandon (Mr. Forke) yesterday referred in jubilant tones to the fact that the income tax has been practically wiped out on incomes equal to a member of parliament's indemnity, and he added in great glee, "Keep your eye on the price of motor cars." My plea, Sir, is that the members of this House and the people of the Dominion keep their eye on the employees in those factories who are now being affected by the tariff reductions on motor cars; that they keep their eye on the unemployment that will result; that they keep their eye on the distress that will follow; and that they keep their eye on the exodus to the United States due to the closing of five industries in the city of Oshawa alone. My further plea is that they join with the Conservative party in a determined effort to enforce the fulfilment of the solemn pledge given by this government that no industry shall suffer a reduction of its tariff protection until a proper investigation has been made by the recently appointed Tariff Advisory Board. How long, Mr. Speaker, are protectionist constituencies such as North Waterloo, Joliette and North Vancouver going to send representatives to this House who, while they profess to be protectionists, help to install in office a Prime Minister who has no respect for his pledge, a Prime Minister who solemnly promises that Canadian industries shall get a fair deal and full opportunity to be heard before their tariff protection is taken away or diminished,—I say how long are those and other protectionist constituencies going to send members to this House to support such a Prime Minister,—members who protest when tariff reductions are made, but nevertheless render the reductions possible by remaining with a party which breaks its pledges?

Mr. A. F. TOTZKE (Humboldt): Mr. Speaker, it is not my intention to occupy very much time in this my first address, but there are a few things in connection with the budget that I feel I should discuss very briefly. Let me first of all congratulate the Minister of Finance (Mr. Robb) upon his very excellent budget.

I think I can safely say that this budget is very pleasing to at least ninety per cent of the people of Canada. Not only is the budget itself very welcome but the improved financial conditions which made this budget possible are very gratifying. More especially is that so, Mr. Speaker, after the blue ruin speeches which we heard throughout the length and breadth of the country during the recent election campaign, and even during this present session. We were told that the factories were being closed, that trade was falling off, and that the country generally was on the verge of ruin. So it is very gratifying that the Finance minister is able to bring down a budget making a reduction of some $25,000,000 in taxation. We know that revenues are required to carry on the business of this country, and it is gratifying indeed to note that business has already so improved, and that the prospects for business in the future are so bright, that the Minister of Finance has been able to make the reductions now proposed in the budget. Not only are the majority of the people pleased with the budget, but I am sure that if our friends opposite would only give candid expression to their opinions they would also admit satisfaction.

One of the items of the budget which to my mind is of importance to the constituency which I represent is the reduction in the income tax levied on the man with a small income. The chief occupation of the people

in my constituency, as is the case with the majority of the people in the province from which I come, is that of farming. The farmer of the western prairies, with the conditions obtaining and the class of farming carried on, is in the position that one year he will have good crops and splendid returns and will have to pay a large income tax, then possibly for the next two or three years he has to operate his farm at a small profit or in some cases at a loss. So he may pay income tax one year and operate at a loss the following year, and there is no allowance made for this difference. I do not know that this could be remedied in any way, but I do know that the increase in exemptions will do much to alleviate this condition.

Some hon. members of the opposition have stated that the reductions in the income tax are only apparent; that while the reductions apply to the man with the small income the tax is increased when applied to incomes derived from dividends or other unearned sources. I submit that this is as it should be. It is the man with the small income, who is raising a family and trying to give his children a proper education which will fit them to become good and useful citizens—and these comprise by far the greater part of our population—who should be given every encouragement possible.

9 p.m.

The hon. member for South Wellington (Mr. Guthrie) speaking on the budget the other day, said that this government could not be given the credit for the improved conditions existing in Canada, but that the credit should be given to a munificent Providence. I am ready to admit that Providence had a lot to do with the improved condition of affairs, but had conditions been worse the blame would certainly have been laid on this government, so why should they not receive some credit? There is a saying that the Lord helps those who help themselves, and I submit that the improved condition in which we find ourselves is due in large measure to the economical and careful administration of the government.

I would like to say just a few words in regard to the tariff proposals. This is a very important matter to us in western Canada, as indeed it is to all parts of our Dominion. The right hon. leader of the opposition (Mr. Meighen) has on several occasions paid considerable attention to those sitting in this corner of the House; he has called us the Saskatchewan colony, and free traders. I do not know just what he means by "Saskatchewan colony"; I do not think he intends to be very complimentary, but I want to say that this Saskatchewan colony will keep on growing. Most important of all, there is absolute harmony amongst ourselves; we are all here with one purpose. That purpose is not to impose our will upon this government or upon the rest of Canada, but to secure fair treatment as we are willing to accord fair treatment to others. The right hon. gentleman has called us free traders. Perhaps our inclinations are for free trade, because we cannot see that protection can be of any benefit to us. Our main business is the production of wheat; we are gradually getting into mixed farming, and that class of farm work has already assumed considerable proportions, but the main thing is still the production of wheat. When we sell our wheat we must sell it on the open market, in competition with the rest of the world, so we cannot see any advantage to be gained by having protection. In that way perhaps the hon. gentleman is partially correct when he classes us as free traders. Our inclinations are for free trade, just as the inclinations of those in the industrial centres are for protection, because they believe protection is to their advantage. Let me say, however, that while our inclinations may be for free trade, we have not come here expecting to get free trade, nor do we expect to get any drastic cut in the tariff at present.

The voters in Saskatchewan demonstrated one thing last October, that is, that they do not desire any increase in these tariff duties. The leader of the Conservative party preached higher tariffs, and so far as the people of Saskatchewan are concerned he has his answer; not a Conservative member from that province is in this House. A great deal has been said during this session with regard to the popular vote cast last October; members of the opposition have gleefully counted the votes cast in opposition to the government candidates, and in so doing have counted the votes cast for Progressives. In my constituency we had a three-cornered fight, with Liberal, Progressive and Conservative candidates. The Conservative lost his deposit, and I venture to say that had the Progressive candidate not run, the Conservative would not have gained fifty votes. It seems to me the votes cast in Saskatchewan last October were not so much in favour of free trade as in favour of a reasonable tariff, and strongly in opposition to any increase in the tariff duties. We have no desire to injure the business of the manufacturers of this country. We want to see them prosper, and we hope some day to have them in our part of the Dominion. But we do object to having them make unreasonable profit at our expense.

Most of the time this afternoon was taken up with a discussion of the tariff reduction on automobiles. I do not intend to weary the House by going into a detailed consideration of the matter, but I wish to place on Hansard a statement attributed to Mr. Henry Ford which appeared in the press of to-day. It is a Canadian Press despatch dated Detroit, April 21st, and reads as follows:

> Henry Ford, Detroit industrial magnate, this afternoon stated his belief that the industry at Ford city would "run better if there were no tariff whatever." Mr. Ford declared himself to be a free trader. The magnate was interviewed on the Walkerville ferry as he was returning from an inspection trip of the Ford city plant. He would add nothing to the statement made by Mr. Wallace R. Campbell, general manager and treasurer of the Ford Motor Company of Canada, other than expressing the opinion that free trade would be best for the Canadian plant.

Mr. MORAND: Is the hon. gentleman aware that Mr. Ford owns only about twenty per cent of the Canadian stock, and the whole of the American stock; that they are two separate companies, and that he might be quite willing to have the Canadian plant closed?

Mr. TOTZKE: I do not wish to discuss the matter with the hon. gentleman at all except to say that the arguments of hon. gentlemen opposite this afternoon are answered, I think, by the statement in the despatch quoted that "free trade would be best for the Canadian plant".

The Saskatchewan members came down here to discuss matters with our eastern friends. We came animated by the spirit of give and take, and the sooner our eastern friends get away from the idea that we are looking for free trade the better it will be for all of us. We understand the conditions in eastern Canada perhaps better than easterners understand conditions in the west, for the reason that a good many of us were born and raised in the eastern part of the Dominion. I myself was born and brought up in Kitchener, which is one of the best industrial centres in this old province of Ontario. One of the members of the opposition made the suggestion some weeks ago that it might be a good thing for the members of this House to travel to various parts of Canada and become acquainted with the conditions in each locality. I believe that idea could be acted upon to advantage, and that it would result in a better understanding between the east and the west.

The improvement in the finances of the Canadian National Railways, as announced by the Minister of Finance in his budget speech is also very gratifying. The hon. member for South Wellington (Mr. Guthrie) when speaking the other day, expressed satisfaction with the improved conditions of the railway, but he did what our friends opposite usually do whenever this government does anything worth while: He tried to prove that in some way the credit is due to the party on that side of the House. The hon. gentleman said on the occasion referred to that while this road was in good shape and its condition was improving day by day, the credit for that really should be given to the right hon. leader of the opposition. Well, Mr. Speaker, we are not so much concerned as to who gets the credit for the improved condition of the railway as we are with the condition itself. While perhaps the right hon. leader of the opposition was the father of the road, the present conditions prove that sometimes a foster father is better able to care for a child than a natural father. From the way things were going on when this government came into power I am afraid that had the child been left with its father much longer it would have been in a pretty ragged and dilapidated condition, or perhaps would have been swallowed up altogether by the wolves.

To my mind the government made a happy selection when they secured the services of Sir Henry Thornton as general manager. He has been able to imbue the officials of the road with a different spirit, and those of us who patronize this road can testify to the courtesy and efficient service now given. Let me tell hon. members a little experience I had on my trip west during the last recess. I was going from Winnipeg to Saskatoon. Getting up in the morning I met the porter in the corridor and I said "Are we running on time this morning, porter?" His answer was "Yes, indeed, sir—the 'National way'." That is an illustration of the spirit that exists on this national railway to-day, and if it is all that Sir Henry Thornton has been able to do it has been well worth while; it makes all the difference between operating the line on a paying basis and on a non-paying basis.

The hon. member for South York (Mr. Maclean, who is perhaps the most consistent advocate of public ownership in this House, makes a plea for the amalgamation of the two roads, the Canadian Pacific and the Canadian National. He claims that some $250,000,000 could be saved annually by removing duplication of the service. I am ready to support the hon. gentleman on the question of public ownership, but I cannot support the amalgamation of these two roads. I think the hon. gentleman would find that when he came to do away with the duplication of the two systems there would be such a howl of

protest, such a storm of opposition, that to carry that suggestion into effect would be almost impossible. Perhaps in very few cases it could be done, but here is the situation you have to meet. In very many instances there are towns built along these lines. There are shipping facilities, elevators, and all that goes to make up the small towns of the western prairies. While these places are small they are very important and do a lot of business. So that I cannot agree with my hon. friend's scheme of doing away with the duplication of service. I will admit that there are instances where the passenger service on the lines, or something of that character, might be diminished, but the lines themselves could not be done away with.

Furthermore, there is the question of competition. Competition is the life of trade, and to us in the west of Canada competition means a lot, especially during the harvest time when our rush season is on and we require a great number of cars. Let me give an illustration of how the lack of competition sometimes works out to the detriment of the settlers. In one corner of my constituency there is a railroad grade that was built in 1912 and 1913. The grade is there for some twenty-five or thirty miles, but there is no steel on it and I will tell you why. The particular district this railway was supposed to serve has been settled ever since 1898 when the first batch of settlers went in there. They are good settlers, they have improved their farms, and they have done well. When they went in the Canadian Northern, as it was then, built the main line, known as the Winnipeg and Edmonton railway, just to the south of this district. The Canadian Northern also secured a lease of the Regina and Prince Albert branch, which was the old Qu'Appelle, Long Lake and Saskatchewan Railway. The Grand Trunk Pacific had the line from Young to Prince Albert. While this condition existed, the Canadian Northern with lines on two sides of the triangle, and the Grand Trunk Pacific on the other—or rather I should say this rectangle, because the Canadian Northern had another line on the north side of it—there was competition between these two roads. And the Canadian Northern constructed this grade with the purpose of securing the grain from that particular district. Since the amalgamation this particular section of the country is surrounded on four sides by one road, the Canadian National. There is no longer any need, so far as the railway is concerned, to construct that road, but the settlers need it. They have from twenty-five to thirty miles to haul their grain, and anyone living in the west knows it is not profitable to haul grain for more than ten or twelve miles. So that since the Canadian National have had these four lines this grade has been lying there idle, and I submit that if one of these lines had remained in competition with the Canadian National the condition would be much better. This particular branch line was included three sessions ago in the branch lines railway bill, but the proposal for its construction was thrown out by the Senate. I am in hopes that before long, with improved conditions in the country generally, and in our National railway operation in particular, it will not be long before they undertake the construction of that line.

Just a few words on the subject which was really the main issue in the campaign last October in my constituency, namely the completion of the Hudson Bay railway. I am not going fully into the matter of the completion of this road or the matter of its feasibility or cost, but I wish to make one or two references to the matter. As I said before, in our election campaign three candidates were seeking election, and the main plank in the platform of each one of them was the completion of the Hudson Bay road. I observe the right hon. leader of the opposition is not in his seat—I wanted to draw this particularly to his attention. I desire to read a statement from the platform of the Conservative candidate in that constituency. It will be taken for granted that the Progressive and the Liberal candidates would certainly be in favour of the immediate completion of that road, because that has been a plank in our platform; it has been our desire for years to have the line completed. The following advertisement appeared in the Bruno Leader of October 8, 1925:

> Mr. E. S. Wilson, the Conservative candidate for the federal constituency of Humboldt, stands for:
> 1. Immediate completion of the Hudson Bay railway.

But that is not the best of this particular article; there is a paragraph at the bottom of the article which reads:

> These are the policies laid down by the leader of the Conservative party and endorsed by the Conservative candidate for Humboldt.

Now, Mr. Speaker, I am just introducing that to show my right hon. friend the leader of the opposition the feeling of the people in my constituency. I might say further that that is the feeling of the vast majority of the people of Saskatchewan, the province from which I come. If by any chance the candidate of the leader of the opposition in the constituency of Humboldt had been elected,

he would have had at least one man sitting behind him who was pledged to support the immediate completion of the Hudson Bay railway. Indeed I believe he has several right now who are pledged to the completion of this road.

There is considerable opposition, Mr. Speaker, in eastern Canada to the completion of the Hudson Bay railway. A lot of propaganda has been printed, and it might be interesting to know just where the money comes from to pay for that propaganda. It is feared by those in the eastern provinces that the completion of this road will perhaps mean the diversion of traffic from eastern ports and subsequent depreciation in value of the terminals and shipping facilities in those provinces. To my mind there is no occasion for eastern interests to be alarmed on that score. Even after the road is completed, we realize that we will not be able to ship our grain and cattle immediately. It will take some time to get the proper facilities, and by the time there is any big movement of grain out of that port our production will have increased to such an extent that it cannot all go through the Hudson Bay route, and we will need every avenue through which we can possibly export our produce. We are not only advocating the completion of this road for the transportation of our grain and cattle; we believe the natural resources in forests, minerals, fish and agriculture that will be developed will justify its completion. Let me read a clipping which will illustrate to some extent what I mean. I do not know whether to take this article at its face value, but I wish to read it to the House to show that it is not only the farmers in western Canada who think this road would be a beneficial proposition, but that others are of the same opinion. I have here a Canadian Press report dated January 27, which reads in this way:

> Toronto, Jan. 27.—"If I were out of work to-day, I would go straight to the Hudson's Bay district," said Professor A. Fitzpatrick of the Frontier College at the social service council convention here, to-day.
>
> "There is work and to spare for millions if they have the right clothing which would cost $100 a man."
>
> Professor Fitzpatrick predicted there would be half a dozen cities on the Hudson bay in the next decade or two, each one a quarter of the size of Toronto.
>
> "You will live to see half a dozen railways to Hudson bay. So soon as the Timiskaming and Northern Ontario railway is pushed on to Moose Factory the Canadian Pacific Railway and others will be forced to build connection too," he said.
>
> "The Hudson bay itself will easily support one million people."
>
> He proposed that the social service council should do something practical next year by putting 1,000 jobless men with sufficient clothing and equipment for the work which is always waiting for them in cutting pulpwood in the new northern country.

As I said before, we believe that this line when completed to the Hudson bay alone will support itself, whether or not it is a feasible road for our grain and cattle. We believe it is feasible, and we have abundant information in connection with that, but I do not intend to take up time discussing it. Perhaps we will have an opportunity later on to do so.

The right hon. leader of the opposition has told the Saskatchewan members in this corner of the House that we would find before we were here very long that we could not get what we want from the government. May I say in conclusion that we have got and are getting what we want from the government and our good friends from the eastern and other parts of this country. That is the consideration of our problems and the opportunity of discussing with them the problems of other parts of the Dominion with a view to assisting in finding some solution for them. We realize that we are not the only province in this Dominion, and it is only by co-operation and mutual concession and goodwill that our country will gain the great position amongst the nations of the world to which it is entitled.

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, my principal object in rising to take part in this debate is to say a word on behalf of the labouring people and the farmers of this country. I regret very much that I cannot offer my congratulations to my good and amiable friend the Minister of Finance (Mr. Robb). Nothing would please me better, but my opinion of this budget would be almost in inverse ratio to my opinion of the minister. I do not for a minute think that anything I say or might not say will have the least effect in stopping this government from the mad and reckless course on which it has started. This budget, to my mind, is just another broken promise added to the long list which this government has had following in its wake ever since it came into office.

I remember quite distinctly away back in the election of 1921 when the Prime Minister took with him throughout the length and breadth of Canada the late Minister of Finance, the Right Hon. Mr. Fielding—who unfortunately to-day, we all regret, is ill—because he felt that his reputation in this House and in the country, a reputation of thirteen or fourteen years for tariff stability, would create the impression among the Canadian people that if the Liberal government obtained power they would not pursue the reckless course which they have been pursuing since obtaining office. After they obtained

office more or less under false pretences, we find that from the very first session they began to break their promises to the people of this country. Their promises were broken in 1922 and 1923 to such an extent that the then Minister of Finance, Mr. Fielding, evidently thought it was incumbent upon him and his duty to the Canadian people from his place in this House to assure them that from henceforth we would have tariff stability. He has unfortunately passed off the scene.

We had similar promises during the last election. This government, I think I might say truthfully, obtained office upon the promise that in regard to the tariff the industries of this country would no longer be slaughtered as they had been before by this government without at least a fair hearing by some competent court. When we get that far, what happens? This parliament is called and in the very Speech from the Throne this promise is reiterated again only to be broken by the legislation which is now before the House, and it is to this legislation that I want to devote some little attention to-night.

The other day we saw the hon. member for Brandon (Mr. Forke) rise in his place and try to justify the action of the Minister of Finance by saying that the farmers in the west had many times been bailed out and that in the afternoon they had hitched up their horses to the plough and started again to make ready for the next year. The minister upon that occasion nearly broke the top of his desk in two applauding the hon. member for Brandon. We all know that such unfortunate incidents happen and we all regret them, but I would like to ask the hon. member for Brandon and the Minister of Finance to-night: Are failures anything new in the history of any business or any private individual in this country? Is it not the case that any man in any business may suffer disaster and misfortune at some time or another? That is to be regretted. What we complain about in regard to this budget is that the Minister of Finance has directly and deliberately taken out his pruning knife and slaughtered industries of the province of Ontario. This is a deliberate, premeditated act, delivered, as I believe—and I will refer to this in a few minutes—under compulsion.

This budget promises us practically four things: reduction in taxation, reduction in postage, reduction in debt, and reduction in the tariff on motor cars. The Minister of Finance claims that he has reduced the debt of this country by some $22,000,000. I intend before I sit down to show that that reduction is nothing more nor less than a paper reduction. But granting for the moment it is true that he has reduced the debt and is going to reduce taxation, does the government deserve credit for that act or does it not? Before we can answer that question satisfactorily, we must review the taxation of this country and see what amount of taxes has been taken out of the pockets of our people. I might here be permitted to read an extract from an address delivered by Sir Herbert Holt, in which he says:

> There is no question that too large a percentage of our national income is being absorbed in taxation. The total gross production of Canada, agricultural and industrial, for the last year for which official statistics are available was $4,485,487,785. The total net production was $2,728,906,285. During the same year, the total tax collected by the Dominion, provincial and municipal governments of Canada amounted to $627,-972,769, or almost one-quarter of the value of the net production.

Analyzing the national income and the taxation in relation to it, he gives us the following figures of the ratio of taxation to the national income in Great Britain, the United States and Canada:

Year	Great Britain	United States
1921-22..	27.5	16.7
1922-23..	26.8	12.1
1923-24..	22.9	11.6

During those same years what had this government been doing in Canada? The figures are as follows:

Year	Canada
1921-22..	19.8
1922-23..	19.9
1923-24..	19.7

That shows that this government did not reduce taxation one iota during its period of office. The Minister of Finance comes to us to-day and he says that he is going to reduce taxation by some $22,000,000, and he claims a surplus of some $33,000,000. But upon looking over the railway statement which was presented to us the other day, I find that the National railways have floated bonds to an amount of about $35,000,000. Of that, $17,000,000 was for refunding purposes, leaving a balance of $18,000,000 to be charged against the treasury. Granting that his so-called surplus was correct, he should have deducted that $18,000,000 of debt which was contracted by the National railways, and that would have reduced the surplus to $15,000,000 and the reduction in the debt to about $4,000,000.

I shall discuss briefly some forms of taxation in force in Canada to-day. The minister has introduced some changes in the income tax, and in part I want to give him credit for what he has done. I desire also to give him some credit for the reduction in the postage rate.

That, however, is about all I can credit him with. I am quite willing to concede both to the minister and to the government everything that is due them, but the Lord knows that there is not very much in this budget in regard to which one can make any great concession. I find in connection with the income tax that an income of $5,000 will enjoy a reduction of $86; one of $10,000 gets a reduction of $329; and the income of $15,000 will have a reduction of $501. Obviously the reductions are not in favour of the lower salaried men nearly so much as they are in favour of those who are fortunate enough to have larger incomes. To offset the advantage which he gives in this direction, the minister has proposed a system of double taxation. I must tell him emphatically that in my opinion he has made a grave mistake in this respect. I do not think that any government, whether in Canada or anywhere else, can at any time afford to break faith with the people. It has been the settled policy of all governments in this country ever since we have had an income tax to tax incomes once only. We have never had any method of duplicating taxation. As the minister proposes to reverse that policy, however, I would ask him to consider seriously the wisdom of the proposal. There are people who have invested their money in Canada in stocks and bonds in the assurance that the government would leave those investments alone. Now the government steps in and is going to tax such incomes, which in many cases will be severely hit. In view of the fact that both the Conservative and the Liberal parties have always refused to enforce the system of double taxation, I submit to the minister that in this matter he is not keeping faith with the people. I would point out to him that if he carries out his proposal he will be taxing some incomes not once, nor twice, but three times. Is that fair? The minister knows, as we all know, that certain corporations are amalgamated, and he is going to tax the parent company, then the subsidiary, and then the individual who derives his revenue from the concern in the shape of dividends. In other words, he is going to tax these incomes no fewer than three times. What will be the result? Those people who have invested their money in these concerns on the strength of the country's reputation will withdraw their investments from Canadian securities and from Canadian industry, which is badly in need of capital, and place their funds in New York where they will draw dividends not subject to taxation. It would be well for the minister to consider this point before pressing the system of taxation which he now proposes.

Let us look into the income tax a little further. A man has, say, an income of $10,000 of which $5,000 consists of dividends and $5,000 of moneys received from other sources. Formerly he paid $241 in taxation, and that has been increased now to $290. The man who had an income of $20,000 formerly paid $1,249; now he will pay $1,540. The man who formerly had an income of $20,000 derived exclusively from dividends paid $740, and now he will pay $1,500. In other words, his taxation is more than doubled, and it is doubled at a time when money is needed in the country. This is a breach of faith with the Canadian people, and, as I said before, no government whether in Canada, in the United States, in Great Britain or in any other civilized country, can afford to lose the confidence of the nation. The result of this tax if it is enforced will be a loss of revenue, while industries will lose capital which will drift from Canada to the United States.

Let me review the promised reductions in debt and taxation in relation to certain conditions that must be borne in mind. The government is claiming certain reductions, but I submit that we are really getting nothing. The minister possibly is taking off a little which the government put on in the way of taxation, but the taxes he is adding this year will more than wipe out the reductions. With the expenditure the minister is proposing the government will have a deficit next year and we shall have then either to impose further taxation or to go deeper into debt. I want the minister to consider seriously our position as compared with the United States; for it is a matter of vital importance, not only to this country but to every other nation, just what action is taken by our neighbours to the south in regard to their war debt in the next few years. The United States at the end of the war had a debt of $25,700,000,000, and in six years they had paid off nearly $5,000,000,000, reducing it to about $21,000,000,000.

Mr. SPENCE (Maple Creek): When did they enter the war?

Mr. McGIBBON: Is the hon. gentleman asking for information?

Mr. SPENCE (Maple Creek): Yes.

Mr. McGIBBON: I will refer him to the newspapers. The United States, I say, paid off $6,000,000,000 of their national debt in six years, and as the allies owe her $12,000,000,000 that leaves a net debt of $9,000,000,000 for the people of that republic to pay. They can

discharge that debt in about ten years if they care to do so. Let me ask the Minister of Finance this question: How is Canada, or any other country for that matter, to compete with the United States in trade? This is something that must be considered in the near future. If the American republic desires to do so it can wipe out its war debt in ten years, and then with its vast population, its extensive home market, its enormous capacity for mass production, which necessarily is cheap, it will be in an advantageous position to capture trade. So that unless we in Canada retrench, unless we get into a similar position, we shall find it exceedingly difficult to compete with the United States. Consequently I ask the Minister of Finance: In view of the fact that our neighbours to the south have in six years reduced their national debt by $5,000,000,000, have we done anything by comparison? I submit, Sir, that the reduction in our national debt in the meantime has been infinitesimal.

What about their taxation? It has gone down in an almost similar ratio, from $54 to $27 per head. And let me say here, in answer to an hon. member who spoke a short time ago, if my figures are correct, the comparative debts of the United States and Canada at the close of the war were $253 and $256 per head respectively. Therefore this country, with its vast resources and a per capita debt virtually no greater than that of the United States, should to my mind have done a great deal better than the record shows. In a word, I say that in these reductions the government has done practically nothing. President Coolidge a few months ago signed a tax reduction measure for the United States representing a saving to the people of between $300,000,000 and $350,000,000. That has been going on every year since the war closed. Taxation in the republic to-day is one billion less than it was in 1919. How much less is it in Canada, Mr. Speaker? Why, we have been taking out of the pockets of the people every year since the close of the war from $375,000,000 to $400,000,000 to run the federal government alone. There has been practically no reduction in taxation. We are promised a slight reduction this year, for which we give the Minister of Finance credit; but I submit it would have been infinitely better for this country had the government cut expenditures to the bone and thus helped to reduce the national debt and taxation so we could hold up our end in trade with the other countries of the world.

[Mr. McGibbon.]

Let us see what they are doing in Great Britain. I find the Imperial government since 1924 has reduced taxation by over £150,000,000—$750,000,000—a large sum of money; and from 1920 to date the debt reduction has been over $1,150,000,000. It will be equally interesting to see what some of our sister dominions are doing. I find that in 1921 New Zealand had a per capita taxation of $88.58; in 1925 that was reduced to $60, or a reduction of over $28 per head. That is an example which to my mind this country might well follow. Their net debt during the same time had also been reduced about $26 per head. I could also give figures for the other overseas dominions, but I think I have cited sufficient to indicate that this country has fallen behind nearly every other country that was engaged in the war in paying off its debt, reducing taxation, and getting into a better position to hold its balance of trade with the world.

Now, Sir, I come to the reduction of the duty on motor cars. The attitude of the government not only to-day but in the past puts me in mind of a school of medicine in the olden days which was known as the venesection school. When a patient had typhoid fever they bled him; when he had pneumonia they bled him; if he had empyema complicating pneumonia they bled him again, so that in the end, even if the patient was strong enough to survive the malady, he generally died at the hands of the surgeons from secondary anaemia. That is about the attitude of this government. When any industry gets into difficulty they reduce the tariff. They reduced the tariff on woollens. What was the result? Our woollen mills closed their doors. They subjected the shoe manufacturers and the tanners to the competition of European cheap labour and depreciated exchange, and those industries have gone out of business. They reduced the duty on agricultural implements, and if I am informed correctly, the Massey-Harris Company for the last year or so has been devoting its plant to making parts for motor cars. To-day the government have attacked the motor car industry, with the same idea, that there is only one cure for everything in this country, and that is: Reduce the tariff, bring in American made goods, and send our money to the United States to feed the American workmen and their families and thus turn our own workingmen out on the street.

Looking over Hansard I was interested to notice the reason given by the Minister of

Finance for this tariff reduction. He diagnosed the cause of the illness of the motor car industry and said, "The people of this country have an idea that the automobile manufacturers enjoy too much protection." I submit, Mr. Speaker, that was a strange reason for him to give for such drastic action on his part. Here is an industry with a huge capital investment employing 20,000 hands, on whom in turn about 100,000 people are dependent. He puts the axe to the root of that tree, and his only explanation is: The people believe it is enjoying too much protection.

Mr. SPENCE (Maple Creek): If the hon. member will permit a question,—if his party were again in power would he be in favour of putting back the duty on automobiles to what it was before this reduction was made?

Mr. McGIBBON: I have heard the hon. member ask that question three or four times to-day. I was hoping he had something else in his repertoire. Why, sure, I would put the duty back until the Tariff Advisory Board appointed by the government had an opportunity to look fully into the question. I believe in giving every Canadian industry protection enough to carry on. We are giving protection to the western farmers in the way of freight rates, and I submit that the industries of Ontario have an equal right to live. This question, Sir, as the late leader of the Progressive party in this House once said, is elementary in its simplicity. Now, I ask the minister: Does he think with all his knowledge and experience that he is able, without any evidence, to render a verdict upon any issue of that kind Is it fair to himself, is it fair to the country, is it fair to any industry for him to just get up and say, "The people believe you are enjoying too much protection, and we are going to take the duty off, although we do not know whether you have got too much protection; we do not even know if you have got enough"? Why Mr. Speaker, such an attitude is ridiculous. The thing is ridiculous. To my mind it would have been much nearer the truth had he said that the Minister of Railways demanded it, and the government had to give it to him. We know that he, the Minister of Railways, and the members from Saskatchewan have come down here demanding not the head of Barabbas but the head of industrial Ontario, and there is more than a suspicion that this budget is an election budget, reflecting the feeling of this government towards the province of Ontario because of what happened on October 29 last. I ask the minister what reason he can give? Surely he can give some reason for jeopardizing the employment of 22,000 men and the living of 100,000 people without even a trial. Is not the thing absurd?

I do not wish to follow that line further, as it is getting late. I am sorry the Minister of Agriculture is not in his place, because I had intended to give him some information whereby he could stir the dry bones of that department and make it of some use to the Canadian people. This government, by its action and inaction, has practically wiped out the protection of our farmers, and they have been left exposed to the cheap Australian and New Zealand butter which is ruining the market. Had the minister been here I would have read a clipping from the Toronto Globe under yesterday's date, in which it is stated that the western provinces of British Columbia, Saskatchewan and Alberta are flooded with Australian butter; that the western Canadian butter is drifting down into Toronto, and that the price is down to 33 and 34 cents a pound. That is the result of legislation passed by this government.

Before going into that I would like to refer again to the Minister of Finance. He has stated that he does not know how to find out what protection these industries require, so I am going to tell him where to get some examples. I have in my hand the regulations under the Safeguarding of Industries Act of Great Britain, which I will read in order to give the minister some idea of how to proceed. When an industry applies for protection the evidence is to be heard and the verdict rendered on the following conditions:

(1) Whether the applicant industry is, by reason of the volume of employment engaged in the production of the goods to which the application relates, or by reason of the nature of the goods produced, an industry of substantial importance.

(2) Whether foreign goods of the class or description to which the application relates are being imported into and retained for consumption in the United Kingdom in abnormal quantities.

(3) Whether the foreign goods so imported are being sold or offered for sale in the United Kingdom at prices which are below the prices at which similar goods can be profitably manufactured or produced in the United Kingdom.

(4) Whether, by reason of the severity and extent of such competition, employment in the manufacture or production of such goods in the United Kingdom is being, or is likely to be, seriously affected.

(5) Whether such exceptional competition comes largely from countries where the conditions are so different from those in this country as to render the competition unfair.

Competition for the purpose of such inquiry is not to be deemed to be unfair unless it arises from one or more of the following causes:—

(a) Depreciation of currency operating so as to create an export bounty.

(b) Subsidies, bounties, or other artificial advantages.

(c) Inferior conditions of employment of labour. . .

I have here the report on the cutlery industry, which applied for protection, and we find the verdict as follows:

In all the circumstances, we consider that a duty of 33⅓ per cent ad valorem would be reasonably sufficient —and we recommend that such a duty should be imposed for a period of at least five years.

That is the way they find out in Great Britain whether or not an industry needs protection, what protection it needs, and for how long it is needed. I recommend that system to the Minister of Finance. I have also a report on the aluminium industry, and after hearing the evidence this is what they say:

10 p.m.

We are not in a position to state that the applicant industry has established a claim to a duty.

It works both ways, as you see. I have also a report on the wrapping paper industry, and I find that the verdict is as follows:

We recommend a duty of 17½ per cent—

In the glove industry I find a double verdict rendered. On the question of leather gloves they say:

We therefore recommend that a duty of 33⅓ per cent ad valorem should be imposed for at least five years.

On the question of fabric gloves, in the same verdict they say:

We do not recommend a duty on fabric gloves of silk and artificial silk.

I recommend to the minister that he get his information along these lines, and he will then be in a position to give this House the reasons for the reduction or increase in duty upon any article in a reasonable way, not in the unreasonable way which he followed this afternoon.

I want to deal now with the United States. I have the seventh annual report of the United States tariff commission and I want to read their instructions. Section 315 of the Tariff Act of 1922 provides:

"In order to regulate the foreign commerce of the United States and put into force and effect the policy of the Congress by this act intended," the President shall have power, upon investigation, to ascertain the differences in costs of production of domestic articles and of like or similar imported articles and to proclaim the changes in classification or increases or decreases in rates of duty which may be necessary to equalize the differences in costs thus ascertained.

Those instructions were given to the United States tariff commission, which President Harding called the greatest advance in tariff making in the last hundred years. What is the result? The president has power to either raise or decrease the duties or to alter the classification up to 50 per cent, but he cannot do that—and this is the point I want to impress upon the Minister of Finance—until an investigation has been held. That is the way these things are settled in Great Britain and the United States, and I recommend that procedure to the government of this country. If that course is adopted they can come to parliament and give reasons for their actions, and they will not slaughter an industry, as has been done in the case of the automobile industry, simply because they say the public believes it should be slaughtered. I submit, Mr. Speaker, that such reasons are beneath any man holding the position of finance minister of any country on God's earth.

For a few moments, Mr. Speaker, I want to take up something on behalf of the farmers of this country. I did want to show the Minister of Agriculture how he could do something for our farmers. I have carefully gone through the workings of the Fordney-McCumber tariff as it applies to the farmers of the United States, and when I am told in this House that farmers cannot be protected by tariff I want hon. members to read these figures, which I am going to ask leave to place on Hansard. Now that tariff came into force, as most hon. gentlemen know, on May 27, 1921. To be brief let me say this: I have gone through every branch of the farming industry in the United States from wheat to cotton, and with two exceptions—those were milk and cheese, where the duty had not been raised sufficiently—in every case the tariff raised the price of the farm products of the United States, and in many cases raised it by the amount of the duty.

Let me take the cattle industry. They put a duty of thirty per cent on cattle. The imports of cattle in 1920 were 48,000 head. In 1921 the imports had dropped to 28,000 head, and the price of cattle went up almost identically with the application of the new tariff. I have here comparative prices of stockers at Chicago and at Winnipeg, as follows:

PRICES OF STOCKERS

(Per 100 Pounds)

Date	Chicago (1)	Winnipeg (2) current exchange	Excess Chicago over Winnipeg	30 per cent duty	Toronto (2) current exchange	Excess Chicago over Toronto	30 per cent duty
1921	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
January	6 58	4 93	1 65	.....	6 77	0 19	.....
February	6 71	4 87	1 84	.....	6 08	0 63	.....
March	7 34	5 37	1 97	.....	6 57	0 77	.....
April	6 80	5 17	1 63	.....	.....	.....	.....
May	6 84	5 10	1 74	.....	.....	.....	.....
June	5 80	3 90	1 90	1 17	.....	.....	.....
July	5 44	2 83	2 61	0 85	4 08	1 36	1 22
August	5 34	2 81	2 53	0 84	4 06	1 28	1 21
September	5 34	2 87	2 47	0 86	3 00	1 74	1 08
October	5 33	2 77	2 56	0 83	3 58	1 75	1 07
November	5 00	2 76	2 24	0 82	3 68	1 32	1 10
December	5 27	2 93	2 34	0 88	3 70	1 57	1 11
1922							
January	5 54	3 18	2 36	0 95	.....	.....	.....
February	5 96	3 18	2 78	0 95	.....	.....	.....

(1) Steers, common choice. (2) Stockers, 450–800 pounds.

This statement shows that the tariff put the price of stockers up at once and kept it up to an amount equal with the duty.

The prices of fat steers show that in here also there was a similar result. The excess of the Chicago price over the Winnipeg price in each case is shown by the following table:

CATTLE, PRICE OF FAT STEERS

(per 100 pounds)

Date	Chicago (1)	Winnipeg (2) current exchange	Excess Chicago over Winnipeg	30 per cent duty	Toronto (2) current exchange	Excess Chicago over Toronto	30 per cent duty
1921:	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
January	9 90	6 41	3 49	.....	8 21	1 69	.....
February	9 47	6 69	2 78	.....	7 79	1 68	.....
March	9 62	6 99	2 63	.....	8 41	1 21	.....
April	8 46	7 25	1 21	.....	8 28	0 18	.....
May	8 51	7 21	1 30	.....	8 08	0 43	.....
June	8 24	6 16	2 08	1 85	7 07	1 17	2 12
July	8 66	4 85	3 75	1 46	6 00	2 60	1 80
August	9 07	4 38	4 69	1 31	6 12	2 95	1 84
September	8 59	4 24	4 35	1 27	5 78	2 81	1 73
October	9 17	3 97	5 20	1 19	5 39	3 78	1 62
November	8 96	4 07	4 89	1 22	5 17	3 79	1 55
December	8 58	4 22	4 36	1 27	5 63	2 95	1 69
1922:							
January	8 59	5 25	3 34	1 58	6 48	2 11	1 94
February	8 69	5 36	3 33	1 61	6 75	1 94	2 03

(1) Steers, good. (2) Steers, 1,000-1,200 pounds, good.

The excess shown here represents the amount of money that that tariff put into the pockets of the farmers in the United States.

I have also here comparative prices of feeders, which advanced to a similar degree, immediately after the application of the tariff. I am going to ask that these figures be placed on Hansard for the information of hon. members.

The statement is as follows:

CATTLE, PRICE OF FEEDERS

(Per 100 pounds)

Date	Chicago	Winnipeg current exchange	Excess Chicago over Winnipeg	30 per cent duty	Toronto current exchange	Excess Chicago over Toronto	30 per cent duty
1920	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
January	10 01	9 35	0 66	.....	10 01	.....	.....
February	9 61	9 13	0 48	.....	9 31	0 30	.....
March	10 35	9 01	1 34	.....	9 53	0 82	.....
April	10 34	9 67	0 67	.....	10 57	0 23	.....
May	10 41	10 78	0 37	.....	11 33	0 92	.....
June	10 89	9 07	1 82	.....	11 30	0 41	.....
July	10 18	8 21	1 97	.....	10 02	0 16	.....
August	9 78	7 47	2 31	.....	10 16	0 38	.....
September	9 81	7 74	2 07	.....	9 91	0 10	.....
October	9 50	7 24	2 26	.....	9 48	0 02	.....
November	8 66	6 82	1 84	.....	8 82	0 16	.....
December	7 69	6 08	1 61	.....	9 23	1 54	.....
1921							
January	7 56	5 59	1 97	.....	7 91	0 35	.....
February	7 53	5 39	2 14	.....	7 10	0 43	.....
March	8 22	6 37	1 85	.....	7 39	0 83	.....
April	7 56	6 14	1 42	.....	7 90	0 34	.....
May	7 59	6 18	1 41	.....	7 42	0 17	.....
June	6 77	4 46	2 31	1 34	.....	.....	.....
July	6 24	3 24	3 00	0 97	.....	.....	.....
August	6 34	3 56	2 78	1 07	5 32	1 02	1 60
September	6 04	3 54	2 50	1 06	5 14	0 90	1 54
October	5 87	3 55	2 32	1 07	4 70	1 17	1 41
November	5 89	3 65	2 24	1 10	4 87	1 02	1 46
December	5 72	3 55	2 17	1 07	4 85	0 87	1 45
1922							
January	5 99	3 90	2 09	1 17	5 31	0 68	1 59
February	6 22	3 88	2 34	1 16	6 45	0 23	1 94

I have also gone into the price of beef and I find that the imports ran from 5,000,000 to 6,000,000 pounds per month. In 1921 the imports were reduced to half a million pounds, and the point is this: that the price went up accordingly, when the duty went on, almost as much as in the case of cattle. The results are shown in the following table:

FRESH BEEF

Date	Chicago	Winnipeg current exchange	Excess Chicago over Winnipeg	Toronto current exchange	Excess Chicago over Toronto
1921	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
January	18 10	15 48	2 62	20 64	2 54
February	15 00	13 31	1 69	19 53	4 53
March	17 44	14 02	3 42	17 53	0 09
April	16 65	14 18	2 47	19 50	2 85
May	15 69	14 08	1 61	17 88	2 19
June	15 25	12 26	2 99	16 93	1 69
July	15 20	11 84	3 36	14 91	0 29
August	15 75	12 05	3 70	14 73	1 02
September	16 25	11 72	4 53	13 97	2 28
October	16 60	10 68	5 92	13 63	2 97
November	16 45	9 21	7 24	13 82	2 63
December	16 50	10 07	6 43	13 05	3 45

[Mr. McGibbon.]

So we find that the price of beef almost doubled, and that the price started to advance almost as soon as the tariff was applied.

Now this is something that will probably interest my hon. friends from Saskatchewan. They have been asking what can be done in the case of wheat. I am going to state what the American tariff did for the American grower of wheat. I have here the price of No. 1 northern Manitoba, and the price of wheat at Chicago and Minneapolis—and I want them to take notice because under a condition of free trade the price of wheat normally would be greater in Winnipeg than it would be in Minneapolis. With the application of the duty that condition was reversed, and when the higher duty went on the price went still higher. Now let me give the figures showing the excess in Minneapolis. They are as follows:

January, 1921	.11
February	.06
March	.01
April	.03
May	.03
June	.01

Then they get the application of the tariff, and hon. gentlemen will note the advance:

July	.13
August	.08
September	.21
October	.27
November	.29
December	.26

That is the excess in the price at Minneapolis over the price in Winnipeg. I have also comparative prices as between Minneapolis, Winnipeg and Liverpool, which hon. members can read to-morrow if they wish. I will ask that the statement be placed on Hansard. The statement is as follows:

WHEAT

Difference in prices of Canadian and American wheat in domestic and Liverpool Markets

Period	No. 1 Northern Manitoba. Excess of Liverpool over Winnipeg	No. 2 Hard Winter Excess of Liverpool over Kansas City
1921	$ cts.	$ cts.
January	0 63	0 54
February	0 51	0 38
March	0 48	0 42
April	0 57	0 47
May	0 38	0 28
June	0 31	0 24
July	0 29	0 37
August	0 24	0 36
September	0 32	0 25
October	0 31	0 13
November	0 27	0 14
December	0 30	0 22
1922		
January	0 31	0 19
February	0 41	0 30
March	0 30	0 17
April	0 26	0 05

I have a further table which is more detailed. It makes a comparison of the prices in Minneapolis, Winnipeg and Kansas and gives the excess price in each case. I will ask that this statement also be placed on Hansard. The statement is as follows:

WHEAT

Period	Minneapolis: No. 1 dark northern	Winnipeg No. 1 northern Manitoba (current exchange)	Excess of Minneapolis over Winnipeg	Kansas City No. 2 hard winter	Excess of Kansas City over Winnipeg
1920	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
September	2 62	2 47	0 15	2 45	0 02
October	2 20	2 10	0 10	2 07	0 03
November	1 77	1 82	0 05	1 77	0 05
December	1 72	1 65	0 07	1 69	0 04
1921					
January	1 81	1 70	0 11	1 72	0 02
February	1 71	1 65	0 06	1 62	0 03
March	1 69	1 67	0 01	1 54	0 14
April	1 54	1 57	0 03	1 33	0 24
May	1 64	1 67	0 03	1 47	0 20
June	1 69	1 68	0 01	1 46	0 22
July	1 74	1 61	0 13	1 21	0 40
August	1 54	1 62	0 08	1 15	0 47
September	1 53	1 32	0 21	1 22	0 10
October	1 36	1 09	0 27	1 11	0 02
November	1 30	1 01	0 29	1 08	0 07
December	1 31	1 05	0 26	1 10	0 05
1922					
January	1 35	1 08	0 27	1 14	0 06
February	1 55	1 28	0 27	1 29	0 01
March	1 58	1 36	0 22	1 34	0 02
April	1 64	1 39	0 25	1 36	0 03

Wheat prices, spread between No. 1 northern Manitoba and No. 2 hard winter

Period	Excess of No. 1 northern Manitoba Winnipeg over No. 2 hard winter Kansas City	Excess of No. 1 northern Manitoba Liverpool over No. 2 hard winter Liverpool (current exchange)
1921	$ cts.	$ cts.
January	0 02	1 07
February	0 03	0 16
March	0 14	0 19
April	0 24	0 34
May	0 20	0 30
June	0 22	0 29
July	0 40	0 32
August	0 47	0 35
September	0 10	0 17
October	0 02	0 08
November	0 07	0 06
December	0 05	0 02

Mr. YOUNG (Saskatoon): In respect to what year is my hon. friend quoting?

Mr. McGIBBON: I was quoting the prices in 1921 before the application of the Fordney-McCumber tariff. That tariff went into effect in May and I gave the prices which ruled afterwards. The prices in every case went up immediately after the duty was put on, so that the farmers of the United States are getting the benefit of the duty in dollars and cents.

Mr. YOUNG (Saskatoon): My hon. friend cannot quote the prices of one year ago?

Mr. McGIBBON: I do not know that I have them. They would not be applicable anyway. The point is this that you get certain prices; in May the tariff was put on, and then the prices go up immediately.

Now I will give the comparative prices for potatoes.

Mr. YOUNG (Saskatoon): If my hon. friend studied the grain prices for the past two years he will see that his argument breaks down entirely.

Mr. McGIBBON: I am not prepared to admit that for a moment. I am quoting from the report made by the tariff commission to the United States congress. That is a body of competent men, and they make the positive statement that the price of every one of these articles has gone up practically by the amount of the duty. Surely these men know their

business; they do nothing else the year round. They made this report to congress and in it they worked out the operation of the Fordney-McCumber tariff. Now I have the price of potatoes here. Probably my hon. friend will dispute them, but I will give the prices in Montreal and in Boston. I want my hon. friend to pay attention to the excess price in Boston over Montreal. The figures are as follows:

PRICE OF POTATOES, 1921

—	Montreal	Boston	Excess of Boston over Montreal price Per 100 lbs.
	$ cts.	$ cts.	$ cts.
Jan. 5	2 06	1 90	.....
12	.....	1 95	.....
19	1 82	1 82	.....
26	1 82	1 70	.....
Feb. 2	1 83	1 62	.....
9	1 83	1 57	.....
16	1 15	1 42	0 27
23	1 15	1 32	0 17
Mar. 2	1 14	1 32	0 18
9	1 14	1 45	0 31
16	1 14	1 72	0 58
23	1 14	1 32	0 18
30	1 14	1 32	0 18
April 6	1 16	1 30	0 14
13	1 16	1 05	.....
20	1 16	1 05	.....
27	1 16	1 00	.....
May 4	1 17	0 95	0 22
11	1 17	0 92	0 25
18	1 17	1 05	.....
25	1 17	0 87	0 30
June 1	1 17	0 85	0 32
8	1 17	4 12	2 95
15	1 17	3 87	2 70
22	0 94	3 37	2 43
29	0 94	4 00	3 06
July 6	0 93	4 12	3 19
13	0 93	3 37	2 44
20	0 93	4 75	3 82
27	2 68	5 37	2 69
Aug. 5	2 75	3 25	0 50
10	2 75	3 07	0 32
17	3 50	3 37	0 13
24	3 00	2 50	0 50
31	2 75	2 00	0 75
Sept. 7	2 73	2 57	0 16
14	1 68	2 07	0 39
21	1 68	2 00	0 32
28	1 68	1 80	0 12
Oct. 6	1 30	1 95	0 65
12	1 30	1 95	0 65
19	1 30	1 92	0 62
26	1 30	2 12	0 82
Nov. 2	1 29	2 00	0 71
9	1 29	2 05	0 76
16	1 29	1 95	0 66
23	1 29	1 90	0 61
30	1 29	1 90	0 61
Dec. 7	1 54	1 95	0 41
14	1 54	1 92	0 38
21	1 54	1 95	0 41
28	1 54	2 20	0 66

Mr. VALLANCE: The hon. gentleman has been quoting the price of wheat, beef and potatoes, three commodities of which the United States does not export a great deal. Will he quote the price of corn last fall?

Mr. McGIBBON: The hon. member says they do not export these products?

Mr. VALLANCE: Not to a great extent.

Mr. McGIBBON: Why, the United States grows 2,800 million bushels of corn, and exports about 300,000,000 bushels.

Mr. VALLANCE: Can you tell me what the corn crop of the United States was?

Mr. McGIBBON: I have got the figures of the corn crop here; I will give you anything you want. Now I am going to deal with the price of butter. I have the comparative prices of butter in London and New York. The commodity that makes the price fluctuate in these two markets is the Danish butter, is it not? If my hon. friends will study these figures to-morrow they will find that the price in London was in excess of the price in New York right up till the month of June. On May 27 the tariff on butter was applied, and immediately the balance fluctuates to the other column and the price at New York is ahead of the price at London. Do my hon. friends want anything more definite than that? The comparative prices of butter in detail are as follows:

BUTTER PRICES

—	Excess of New York over London	Excess of London over New York
	$	$
Jan.	0·	.....
1921		
Jan. 1	0·0377	.....
8	.....	0·0110
15	.....	0·0402
22	.....	0·0666
29	.....	0·0847
Feb. 5	.....	0·0510
12	.....	0·0794
19	.....	0·0347
26	0·0090	.....
Mar. 5	0·0088	.....
12	.....	0·0462
19	.....	0·0727
26	.....	0·0575
April 2	.....	0·0274
9	.....	0·0310
16	.....	0·0487
23	.....	0·0811
30	.....	0·1395

BUTTER PRICES

—	Excess of New York over London	Excess of London over New York
1921	$	$
May 7	.....	0·1369
14	.....	0·0398
21	.....	0·0816
28	.....	0·0887
June 4	.....	0·0668
11	.....	0·0409
18	.....	0·0161
25	.....	0·0006
July 2	0·0107	.....
9	0·0326	.....
16	0·0308	.....
23	.....	0·0119
30	0·0081	.....
Aug. 6	0·0293	.....
13	0·0229	.....
20	.....	0·0185
27	.....	0·0229
Sept. 3	.....	0·0072
10	0·0110	.....
17	0·0566	.....
24	0·0549	.....
Oct. 1	0·0621	.....
8	0·0755	.....
15	0·0748	.....
22	0·0588	.....
29	0·0651	.....
Nov. 5	0·0425	.....
12	0·0231	.....
19	.....	0·0324
26	0·006	.....
Dec. 3	0·0626	.....
10	0·0683	.....
17	0·0591	.....
24	0·0925	.....
31	0·0894	.....

Now I will give my hon. friends some information about corn. The duty on corn was raised to 15 cents a bushel. The United States is the greatest corn producing country in the world, producing three times more than any other country. They grow over there 2,800,000,000 bushels.

Mr. VALLANCE: What was last year's price?

Mr. McGIBBON: I have not got that.

Mr. VALLANCE: Does the hon. gentleman want to hear it?

Mr. McGIBBON: I do not know whether I want to hear it or not?

Mr. VALLANCE: What influence has corn on the price of wheat in the United States?

Mr. McGIBBON: The same influence as any other food has. Now then what happened? Imports before 1913 were less than 100,000 bushels a year. They made them free in that year, and the imports thereupon rose to 12,290,000, and from 1915 to 1920 they averaged 5,210,000 bushels. After the tariff went on, what happened? Only 91,000 bushels came in. And what was the the effect on the price? Before that, down in Buenos Aires, the other market for it, the price was 25 cents more than the price in Chicago, and after that the United States price went ahead of the price in Buenos Aires. That was the effect on corn—a difference of twenty-five cents a bushel.

Now I take up the question of cheese. The duty on cheese was not raised to any considerable extent. It was increased from 20 per cent to 23 per cent, but the change was not sufficient to have any effect on the price. We see practically the same result in regard to milk, because the duty was only two cents a gallon and it had no effect on the price. Now we come to beans. The duty on beans was raised from 25 cents a bushel to $1.20. In 1920, before the duty went on, the imports were 2,094,646 bushels. In 1921, after the duty was imposed, the imports dropped to 274,058 bushels, and the price rose from four to seven cents a pound. That is what the tariff did for the farmers in the United States in regard to beans. Then I come to wool, and I find that the raise in the tariff made an increase in price of 25 to 35 cents a pound. One of the greatest industries of the United States is cotton. The effect that the tariff had on cotton was to raise the price six or seven cents a pound. That is what it put into the pockets of the man who was growing cotton.

I have a good deal more information as to other articles, but I have given enough. The point is that the American republic, by reason of the fact that they have a scientific board which is working day and night studying these questions and applying scientifically the principles of their tariff policy, have increased the price of practically every farm product in that country and have put hundreds of millions of dollars in the pockets of their farmers. I wish the Minister of Agriculture were present to-night; I would like to get into his head the idea that the farmers of the country can be protected as much and more than any other class of people, and it is on their behalf I am speaking now. I have not used half the material I have here before me, but I think I have used enough to show this government that what it wants is a scientific tariff board to tell us when duties should go up and when they should come down, and that tariff board should apply not only to industry but also to the great farming population of this country.

Mr. JOHN MILLAR (Qu'Appelle): Before entering upon my address proper, I would like to pay a little attention to the remarks of the last speaker (Mr. McGibbon). He

has directed considerable of his attention to the growing of potatoes, wheat, corn and other products in the United States. I think I shall have time to touch only on the question of wheat. I found some difficulty in following his reasoning when he stated that the United States placed a duty on Canadian wheat at a time that wheat was lower in Winnipeg than it was in the United States.

Mr. McGIBBON: No, I did not say that. I said that normally under free trade it would be six or seven cents higher in Winnipeg than in Chicago or Minneapolis. That statement is accepted by everybody. I showed by an application of the tariff that, instead of it being higher in Winnipeg, it was much higher in Chicago.

Mr. MILLAR: About that time a duty was placed on Canadian wheat, in order to prevent it from going to the United States. I must take issue with my hon. friend right at the start when he says normally wheat is higher in Winnipeg than in the United States.

Mr. McGIBBON: Everybody accepts that.

Mr. MILLAR: It is exactly the opposite.

Mr. McGIBBON: I must insist that the hon. member quote me properly. This is the third time the hon. member has failed to do so. I said that under conditions of free trade everybody accepts the fact that it is higher in Winnipeg than in the United States.

Mr. MILLAR: My hon. friend said normally under free trade the price of wheat would be higher in Winnipeg than in the United States; therefore I must flatly contradict his statement, for the reason that the United States have a hundred million odd people to feed and in Canada we have only ten million. We have to sell our wheat on an export basis, we cannot get above it, while in the United States hard wheat is nearly always—in fact you may say always—above an export basis, at a premium. He has made the statement in reply to a question that the United States do export wheat. That is quite true, but it is not hard wheat. There is great demand for their hard wheat to mix with the soft wheat, and they pay a pretty high price for it. Hard wheat is always above the price in Winnipeg; what the Americans are exporting is soft wheat. My hon. friend has given figures in regard to the United States that are absolutely useless, for this reason: they do not take into account the premiums paid for protein. Nearly all the wheat in the United States is handled on a protein basis. The figures referred to what is called a standard price, and that is the standard price which is paid for wheat with about eleven per cent protein. Then they pay a premium of a few cents up to fifty cents a bushel. That is not taken into account; therefore the figures are entirely useless. If his figures are equally reliable in regard to corn, cheese and other commodities—

Mr. McGIBBON: May I ask the hon. member a question?

Mr. MILLAR: Yes.

Mr. McGIBBON: Has there been any change in the relation of protein content to the value of wheat before and after the going into effect of the Fordney-McCumber tariff?

Mr. MILLAR: I do not think there has been very much.

Mr. McGIBBON: Then what was it that increased the price?

Mr. MILLAR: I will come to that. The hon. gentleman spent a good deal of time trying to convince the House that when you place a duty on a commodity it usually raises the price. That is what we have been trying to convince our friends for a good many years; yet the right hon. leader of the opposition (Mr. Meighen) stated last session or the session before that if we increased the duty on farm implements the price would not be affected, but would remain the same. I am pleased to find that the last speaker agrees with our view of what is sound economics, that under ordinary conditions when you protect an industry or commodity you are going to raise the price. He will not need to spend one minute to convince me that when the United States imposed a duty on Canadian wheat when Canadian wheat was lower in price than the American wheat, the effect was to increase the price to the American farmer. Certainly it was.

Mr. GOTT: The same would apply to butter.

Mr. MILLAR: Yes. Let me point out, though, that the ultimate effect to the United States farmers was quite different from what they expected. They gained something in price on the commodities protected; but the ultimate effect, when they took into consideration the extra price they had to pay for what they purchased, the protected implement, the protected clothing and other protected commodities that they had to buy, meant a net loss to them of $301,000,000. That is, they took the bait, believing that protection was going to help them, was going to enrich them. I suppose it was made very

attractive by the manufacturing industries of the United States the same as it has been in Canada, and having taken the bait they expected that they were going to reap a great deal of benefit thereby. But when an accounting was made and they found they had suffered a net loss of $301,000,000, I find now that the farmer bloc in the United States have turned against the high tariff and they are crying out against it. I believe they are appealing to congress to make a change.

Mr. FOSTER: From what authority does this accounting the hon. member speaks of emanate?

Mr. MILLAR: The Farm Bureau of the United States.

Mr. FOSTER: Is that the American Farm Bureau?

Mr. MILLAR: Yes.

Mr. FOSTER: Located in Chicago?

Mr. MILLAR: I do not know where it is located, probably Washington, but I am not sure.

Mr. FOSTER: I am afraid my hon. friend's figures are away out, because I have the records in my office.

Mr. MILLAR: It is a confederation of farmers. It may be located in Chicago. I cannot say where it is located.

Mr. FOSTER: The figures are not in line with the figures published by the bureau. They may be from some newspaper.

Mr. MILLAR: They were printed, I believe, in the Grain Growers' Guide as being the official figures from this federation, and I give them as such.

A remark was made by the last speaker (Mr. McGibbon) regarding the flooding of the prairie provinces with butter from Australia, and I believe he said it was working eastward into Ontario. I would like to read an extract from a report of a statement made by a trade commissioner from Australia.

Australia is Canada's second best customer, ranking second only to Great Britain, declared Sir James Elder, K.B.E., Australian trade commissioner to the United States, addressing the Canadian Club here to-day.

This is by a representative from Australia to the United States just a few days ago:

"During 1925," said the speaker, "Australia imported $105,000,000 worth of goods from the Dominion,—

That is the Dominion of Canada.

—or an average of $3.60 per capita. And in that same period Canada only sold an average of $3.90 per capita in Great Britain."

Now let us get the comparison between Canada and Australia.

[Mr. Millar.]

But this trade balance has been all in favour of your country, Canada only importing $6,500,000 worth of Australian products or an average of fourteen cents per capita.

We heard a few minutes ago a statement as to the country being flooded with Australian butter, and we have heard a great deal of that of late. These are the figures of the trade commissioner of Australia himself, who states that Canada during the year imported fourteen cents' worth per capita, while Australia received of Canadian goods $3.60 per capita.

Mr. FOSTER: How many millions?

Mr. MILLAR: I gave the figures a moment ago. Australia imported $105,000,000 worth of goods from Canada.

Mr. STEVENS: That is an error. There is a tremendous disparity between the imports and exports and it is much in our favour, but I think it was $19,000,000, or $20,000,000, and not $105,000,000 worth, that we sold to Australia. There is an error there but the hon. member can take it that for say the last six or seven years the disparity has been at least ten to one in our favour. It does not alter the point.

Mr. MILLAR: If the hon. member is correct I am willing to accept his statement, but I would like to ask if those figures, that is, the $3.60 and the fourteen cents per capita, are also in error.

Mr. STEVENS: The comparison would be about correct.

Mr. MILLAR: That serves my purpose pretty well. In that case, why should we make such a tirade about this country being flooded with Australian butter? I believe this statement is sound, that if all the butter were available for sale at one point in Canada and competition were playing its part, not one pound of Canadian butter would be exported as long as the price in Canada was above an export basis. Who would be foolish enough to export his butter to Great Britain or anywhere else and receive thirty cents a pound when he could sell it right at his door at thirty-two cents a pound? I do not know of anybody who would do that. As long as the price is one cent above export basis, he would sell it at home and the price must come down to export basis before the export of butter would start. That would be the situation if all the butter were available in one place.

But Canada is a big country. There may be a lower price in some provinces, than in others; the price may be higher in one part

of Canada and lower in another, or at a time when there is a shortage of production, when there is a possibility of cold storage plants cornering the commodity and raising the price, they may take advantage of the situation and export some butter in order to increase the price at home. At no other time is there an opening for Australian butter, because the market that is open to us for the export of our surplus is open also to Australia on equal terms. It is unreasonable to think that Australia would export butter to Canada when the price here is on an export basis, when the same market that is open to us is open to them.

But the provision that is included in the Australia treaty does affect the cold storage people, and they are the ones who are making the noise. I may add that they have been given considerable assistance by the politicians. In fact I wish the hon. member for South Oxford (Mr. Sutherland) was in his seat. I was in Woodstock a short time ago and some people there were so unkind as to say that he was active in seeing that a little Australian butter was thrown on the market at Woodstock for sale. I do not know about that, but they were unkind enough to say so

Mr. YOUNG (Weyburn): Was it any better than the cheese he gets in this House?

Mr. STEVENS: It is very easy to make reckless charges in the absence of a member.

Mr. MILLAR: Ditto. We must remember that the hon. member is not always absent. If he wants to make any reply he has an opportunity.

During the past four years we have heard so much about blue ruin and the dry rot that was eating into Canada, we have heard so much about the disaster that would follow in the wake of this government's policy, that we were led to believe that the country was going to the bow-wows: the people were all going to get out and, in short, national bankruptcy would ensue. Some people began to wonder seriously whether there was really anything in these "whispers of death". They knew that we had passed through strenuous times and that we had a considerable national debt as a result of the war, and they were naturally concerned about the financial condition of Canada. Well, the budget brought down by the Minister of Finance (Mr. Robb) a few days ago has set these fears at rest. Even the hon. member for Fort William (Mr. Manion) —I hope I may refer to him in his absence— said he would take no objection to the statement of the Minister of Finance that the condition of Canada had improved in the past four years. From time to time statements have appeared in the press to the effect that our trade returns during that period were much better than they had been before: our post office returns were increasing, as were also the returns from our customs, even with the rotten conditions which have prevailed in that department during several years past, and which will be admitted now in every corner of the House. Even under those conditions the customs returns increased, as did also the clearing house returns. There was a better feeling throughout Canada, according to these reports, and now we have absolute proof that the conditions have improved. This has placed my friends to my immediate right in rather an awkward position. They do not like to admit that they were false prophets; they do not like to admit that the country did not go to the bow-wows. But I am willing to give them credit for being sufficiently Canadian and sufficiently patriotic to find some joy in the fact that the country has improved. How were they to get out of the difficulty? I must confess that I find a great deal of inconsistency in the reasoning of hon. gentlemen to my right. Every time anything bad has happened to Canada the government which has been in power during the past four years was to blame; the country, we were told, reacted at once to the policy put into effect. But if any good fortune fell to the lot of Canada it was because Providence was smilling upon us and the sun was shining; the government were not entitled to any credit. I cannot understand that. Surely if the policy of the government is effective at one time, if it is going to react upon the country, it will be effective and will react at another. I thought it rather unfair for hon. gentlemen to indulge in this sort of criticism. I know that the government can well defend themselves and I have no brief for them, but it struck me as rather inconsistent that the government should be blamed for everything that was bad while for anything creditable Providence was praised. Whenever there was prosperity it was because of Providence and the virility of the people. Surely when hon. gentlemen prophesied during the past four years they knew that the people were industrious. I can understand that they might go astray in their prophecies if there were many unknown factors to reckon with, but they should at least have known that the people were industrious. Now they seem to be surprised to find that this is so.

On page 2625 of Hansard the hon. member for Fort William said:

> But there is a Providence, they say, which looks after drunken men, and I presume the same Providence looks after governments who are drunken with the desire to hold power in spite of the wishes of the people.

If the hon. member had added, would-be governments, there might be some force in what he said. If desire is any guarantee of immunity from danger a number of gentlemen who sit on front benches to my right might climb to the top of the tower of this building and throw themselves over, without dashing their foot against a stone. They would be perfectly safe if desire had any protective charm.

The same hon. member goes on to ask what the workingman and the small farmer are to get out of the budget. It strikes me that this is a workingman's and a small farmer's budget. True, the small farmer may not have an automobile, but the reduction in the customs duty may place an automobile within his reach. That is where many of the small farmers will gain. Does it not ultimately benefit the small man, who has not an income of $3,000, that the man with this income will be relieved of taxation? Is it not well with the small salaried man if the man who employs him, the man with whom he has to deal, is prosperous? Is not the country going to react favourably to such a budget as this? As a matter of fact, is there not already a wave of confidence passing over Canada as a result of the budget proposals? Will not the budget help the man who has not an income of $3,000 and the small farmer who has not an auto? If there is prosperity with some classes, that prosperity will filter through to the small man and there are none who will not feel the effect in the long run. This, to my mind, is the poor man's budget.

The hon. member for Fort William mentioned two instances in which he said the income tax would have an undesirable effect. He referred in the first place to the widow who was receiving an income from dividends. Well, it may be that occasionally in the readjustment an individual may pay a little more now than formerly, but this will happen in very few cases. The fact, however, is that a great many wealthy men have been escaping income taxation in past years by investing their money in such a way as to draw non-taxable dividends. If that is the case the government did a wise thing to tax dividends. The other illustration the hon. member gave was rather amusing. It was that of an old couple who had reached the ages of seventy-three and seventy-four—I am speaking only from memory, of course,—and who, as I gathered from his remarks, were scraping along on an income of $4,800 a year. I think he said that these people were in the autumn of their days, and he lamented the fact that in the readjustment they would pay $4 more in income tax than they formerly did. Now, surely if dearth of grounds upon which to object is any proof of a good budget this is an excellent one. Just think of the old couple with an income of $4,800 having to pay $4 more than they paid before! Is that such a serious matter? There are thousands of couples of seventy-five years of age and over who have worked long and hard in the heat of the day and who have not a quarter of that to live upon.

An hon. MEMBER: Why?

Mr. MILLAR: Because of the corporations to which you are so friendly. While my leader was speaking an hon. member said to him, referring to the income tax, "So long as you don't have to pay it." I thought that was a harsh remark. I have under my hand figures to show that the farmers of Canada do pay very little income tax. These figures are for 1921, but I suppose what was true then will be largely true now. These are the totals in round figures: employees, $11,000,000; manufacturers, $8,000,000; merchants, including wholesalers and retailers, $7,000,000; professional men, $2,000,000; farmers, $601,000. Although our farmers paid only this comparatively small amount in 1921 it is a considerable increase over what they paid in 1920. It has been thrown in our faces many times that the farmers are not paying income tax. I could pick out homes where the conditions are very sad, and I am sure were I to describe the poverty, the distress and the long hours of labour I would bring tears to your eyes, but I will refrain. There are thousands of our farmers in the east as well as in the west who are slaving long hours and have much less to live on than is enjoyed by the average citizen in a city like Ottawa. When adverse conditions overtook them after the war, particularly in western Canada, when the prices of the commodities they were selling dropped very low while the prices of the commodities they had to buy were still high, many farmers found themselves in straitened circumstances, and in some cases their children had to wear old bags for protection, their parents being too poor to buy them the necessary clothing. In one case a banker told me he went to see a farmer on business and found his wife, formerly a school teacher, out stooking, and she said, "I

am helping my husband to stook in order to save money enough to buy coal for the winter." And yet because our farmers do not pay a large proportion of the income tax an hon. member says tauntingly, "As long as you don't have to pay it." The money of those farmers has gone in many cases to pay the exorbitant prices that the combines have been able to exact, and with that exaction they have been able to monopolize a great share of the actual wealth and comfort that should belong to all. And yet a few are not satisfied and would throw out such taunts. The farmers are not paying more income tax simply because they have not got the income on which to pay it, not because they are lazy, not because they are indifferent, not because they are inefficient, not because they are failing to do everything they should do to maintain their homes and raise their families. Many a farmer has been compelled frequently to make great personal sacrifices when his family required medical care. Members of the medical profession in this House know that, especially if they are practising in the country. It may be that members of the farmer's family required dental care, but had to do without it for lack of money. In a word, the farmer and his family have to make sacrifices that the average person in our urban centres seldom gives him credit for. After going through such painful experiences it is not a pleasant thing for them to be told they are shirking their duty.

The member for Fort William—perhaps he will read this in Hansard, so I will give him the benefit of it in his absence—made the statement that this government could have removed much more taxation if they had economized more. Well, I remember some three years ago when the hon. member made an excursion into this region of economy and attacked the expenditure involved in sending certain delegates to the Wembley exhibition. Thereupon the ex-whip of the Liberal party, who was interested in the matter, came back at him with some figures that showed apalling extravagance under a former Conservative regime, and, figuratively speaking, the doctor was carried to the hospital after his opponent got through with him. This government is guilty of extravagance, and I know of no government that has not been. This is partly the fault of the governments themselves and partly the fault of the people. What took place in this city not very long ago? Perhaps some of you may not like to hear it, but you are going to. This government discharged some four thousand civil servants during the last four years because of pressure being brought to bear that the departments had become very much overstaffed since the war. What was the result? I believe that action of the government was a large factor in their losing the two local seats in the last election.

I have heard it said many times that the civil servants almost as a bloc turned against the government. There is the difficulty. When the people reach the high standard that they will say, "We do not want anything for our constituency unless we have a right to it and it will be for the good of Canada as a whole," then we shall have cleaner government. I do not know that the Conservative party has any better record in regard to economy than the Liberal party; perhaps both parties are about equal. But there is one thing the Conservative party did which I have always given them credit for, in fact I have shouted it sometimes from the house tops. I refer to their cleaning up of the Printing Bureau. Every time any government does something that is really courageous in bringing about economy, every section of the House ought to give them credit for it here and in the country, and not take advantage of it at election time.

The hon. member for Fort William propounded a rather strange theory. He said that in some cases if you raised the duty you raised the price, and then if you lowered the duty you again raised the price. He tried to explain it in this way. He said, "You lower the duty"—I do not know whether he mentioned automobiles, but that will serve the purpose as well as any other commodity—you lower the duty on automobiles until you ruin the Canadian manufacturer, and immediately the foreign manufacturer will raise his price; so that while you have lowered the duty and destroyed your own industry you find you have to pay a higher price for the foreign made article. Let us analyse that statement. What is it that prevents the Canadian manufacturer of automobiles or of any other commodity charging a higher price now? Is it not the competition of the American manufacturer? If the latter were to raise his price without the duty changing, would not the Canadian manufacturer follow it up immediately? Does anyone believe he would not? If the American manufacturer were to say, "Never mind the duty; I will not sell my commodity in Canada except at an increased price of 10 per cent," do you suppose the Canadian manufacturer would still sell at the same old price? Of course not; he would raise his price at once. The remarks of the hon. member for Fort William may be true where one

man has control or a virtual monopoly of a small community. What would prevent the American manufacturer from raising the price of his product in Canada as soon as the Canadian manufacturer was put out of business or crippled? Simply the competition among the United States manufacturers. A short time ago congress prevented an immense bread merger, so hon. gentlemen will see that if there is any combination in restraint of trade it is prevented by legislation. With so many industries and so many manufacturers in the United States it is not conceivable that a combine could exist to the extent of raising prices in Canada; competition would keep the prices down. There is nothing in the argument that in certain cases when you raise the duty you lower the price and when you lower the duty you sometimes raise the price. It is true that when you put on a duty you raise the price; if there is any importation of the article at all the effect is going to be to raise the price. We have known that for some time, and apparently some of our friends are coming to the conclusion that it is true, although for some time they thought the fact to be otherwise.

The hon. member for Fort William, speaking at page 2627 of Hansard, said:

> It is no part of the policy of the Conservative party to allow unfair prices to the people to be put into effect behind a tariff wall by manufacturers of automobiles or any other manufacturers.

I think I might also use his own words when he stated that that was a thing for the government to forget, but I would change the words to say, "That is a thing for the Conservative party to forget, and for the people to remember." When did the Conservative party, or any other party controlling the destinies of Canada, put through legislation to control effectively the combines of Canada? It has never been done.

What have the Conservatives said in regard to this matter of automobiles? They want to wait for another year and refer it to the tariff commission. That is exactly what the automobile manufacturers want. They have enjoyed enormous profits during the years they have had high protection, and I suppose they thought if they could get it put over for another year there might be another election, with the high protectionist party back in power, and they would be all right again. It was apparent to many in this House, however, that the protection was too great. Any matter requiring investigation will be thoroughly investigated before action is taken, but with the enormous profits enjoyed by these companies as shown by figures which I could quote, many of which are already on Hansard, there was no reason why we should wait and take the chance of being beaten out later on.

The hon. member for Fort William has said that on almost every occasion on which the people have had the opportunity of voting on the tariff they have voted for protection. I can quite understand that. Those who saw the deputations of manufacturers around the city during the last few weeks; those who know something of the influence brought to bear on parliaments in the past by those who tripped around the corridors, entertaining and lobbying, will understand. They were led astray at times, led to vote for protection; even the labourer was sometimes led to believe that it was in his interest, that it meant a full dinner pail. They are becoming wiser now, however, in regard to that question. The attitude of organized labour is expressed in these words, which appear in the Toronto Star:

11 p.m.

> If a tariff wall is built in order to protect special interests and special industries against competition from foreign manufacturers, certainly when manufacturers protected by such a tariff wall reduce the wages of their employees below the subsistence level, the government, in all fairness, should reduce the tariff schedules and tear down the tariff wall which has been so skilfully built. It is the purpose of the president of the American Federation of Labour to bring these facts to the attention of Congress, and to insist in the name of the working people of America that the textile manufacturers who have inaugurated and carried out a policy of wage-reductions shall be deprived of special privileges and special benefits which they have enjoyed from high-tariff protection.

Tariff protection is intended first of all to pay dividends; dividends are seldom if ever cut until wages are cut; if wages are not cut the shop is shut down to part time, or perhaps both. It is a delusion and a snare to believe that as soon as an industry has secured protection by legislation it is going to be generous enough to open its heart and pay the highest wages possible. They will pay as little as they can. We have plenty of evidence in this connection. The St. Louis Post-Despatch asks:

> If the tariff has failed to protect American wages and standards of living, but has inflated the costs of the workmen's clothing, why should it be continued?

We find among the labourers a doubt and a suspicion that what they have been told in the past of the benefits of protection is a delusion and a snare. Here is something rather interesting, to which those who believe in high protection might very well listen. I am sorry that I cannot give the name of the paper from which it is clipped, but I can

assure the House that it is a clipping from a paper:

Canadian manufacturers do not, as a rule, oppose increases in the tariff. The following "Election Notice" posted in a large Toronto factory is, therefore, interesting because it is different:

"We have no desire to dictate to our employees how they shall vote in the coming election, but we want them to vote intelligently.

"The increase in the tariff will increase the cost of the materials used in our goods, and will compel us to raise our prices."

Some hon. MEMBERS: Hear, hear.

Mr. MILLAR: I do not hear any applause from the opposition.

Some hon. MEMBERS: Hear, hear.

Mr. MILLAR: Thank you; I am glad you wakened up.

"This will restrict their sale and so reduce either the number of employees or their hours of labour, or both.

"Incease in the tariff is increase in taxation, and is followed by increase in cost of goods, increase in cost of labour, and in lower demand for labour.

"Will that make Canada prosper?"

Mr. PRICE: What proof has the hon. gentleman that the manufacturers of automobiles in Canada are making an undue profit? The government has appointed a commission to investigate these profits and the conditions surrounding the manufacture, but what proof has my hon. friend for the statement he makes? Will he kindly answer that question?

Some hon. MEMBERS: Order.

Mr. MILLAR: I will certainly answer the question. First of all let me say that I do not know what meaning my hon. friend attaches to the term "undue profits." However. I will give an illustration of what I would call an undue profit.

Mr. PRICE: You do not know anything about the matter.

Mr. MILLAR: The original investment of the Canadian Ford Company in 1904 or 1905 was $62,500, and they gave a like amount to Mr. Ford for his goodwill and patents.

Mr. PRICE: Will the hon. gentleman kindly state what profits they are making?

Mr. MILLAR: Please sit down until I am through.

An hon. MEMBER: Take your medicine.

Mr. MILLAR: The present plant is now capitalized at $31,000,000, although the original investment was $125,000, or, to be accurate, $62,500 exclusive of the interest given to Mr. Ford. Now the company have made most of this $31,000,000, less $125,000, by charging from $150 to $250 above the American price for every car they sold in Canada. I would call that an undue profit.

Mr. PRICE: That is no answer at all.

Some hon. MEMBERS: Oh, oh.

Mr. PRICE: I should like the hon. gentleman to tell us now—

Some hon. MEMBERS: Order.

Mr. PRICE: —what he is talking about. I should like to know what profits they have made.

Some hon. MEMBERS: Order.

Mr. PRICE: If the hon. gentleman has any information on the matter I should like him to state it.

Some hon. MEMBERS: Order.

An hon. MEMBER: Give the boy a chance.

Mr. MILLAR: As there seems to be a desire for further information I have no objection to the Speaker calling it 11 o'clock. I move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Lapointe the House adjourned at 11.05 p.m.

Friday, April 23, 1926.

The House met at three o'clock.

INDUSTRIAL AND INTERNATIONAL RELATIONS

Mr. C. R. McINTOSH (North Battleford) moved that the first report of the select standing committee on Industrial and International Relations be concurred in.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): What is the subject matter? Is it simply a question of printing?

Mr. SPEAKER: Yes.

Motion agreed to.

AGRICULTURE AND COLONIZATION COMMITTEE—CHANGE IN PERSONNEL

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved that the name of Mr. Morin (Bagot) be substituted for that of Mr. Cardin on the select standing committee on Agriculture and Colonization.

Motion agreed to.

INCORPORATION OF OIL COMPANIES

On the Orders of the Day:

Mr. A. U. G. BURY (East Edmonton): I desire to call the attention of the Secretary of State to the fact that in the province of Alberta there is a large number of companies whose applications for charters have been accepted, to whom promises of the issue of charters have been given and who acting on that undertaking have actually entered into contracts with drilling companies. I notified the Secretary of State that I intended to ask this question to-day, in order to ascertain what the government was prepared to do and why the charters were not issued.

Hon. ERNEST LAPOINTE (Acting Secretary of State): I received the notification of my hon. friend that he was going to raise this question to-day. The number of people who are asking for incorporation of oil companies at the present time is simply appalling, and the matter has been engaging my attention for some time. It is a matter of very considerable importance. I expect to reach a decision to-morrow and will inform my hon. friend in regard to it, but those to whom intimation has been given, as has been suggested, that they would receive their charters, will receive them.

CIVIL SERVICE SALARIES

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Will the hon. Minister of Justice inform us if the government has yet considered the report of the Civil Service Commission regarding the permanent revision of salaries of civil servants?

Hon. ERNEST LAPOINTE (Minister of Justice): The matter has been submitted to a sub-committee of the Privy Council which is considering it at the present time.

POLICE ON DUTY AT PARLIAMENT BUILDINGS

On the Orders of the Day:

Hon. ROBERT ROGERS (South Winnipeg): I ask the Prime Minister, why the necessity of such a large force of police as that on duty between half past eleven and half past one to-day?

Mr. CAHAN: To keep the members away.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I submit that my hon. friend should address his inquiry to Mr. Speaker, as His Honour is the custodian of the parliament buildings.

[Mr. Mackenzie King.]

Mr. SPEAKER: I may say to the hon. member for South Winnipeg (Mr. Rogers) that the Sergeant-at-Arms is the custodian of this building and the surroundings are under the surveillance of the federal police. This morning the usual number of police were on duty, and I may add that since one o'clock from all parties, in the Senate and in the Commons, I have received great commendation on the orderliness of the crowd of people assembled here. I take this opportunity of congratulating in the name of the House of Commons the Sergeant-at-Arms and his force, and of course, the people themselves.

CIVIL SERVANTS AND THE WINNIPEG STRIKE

On the Orders of the Day:

Hon. ERNEST LAPOINTE (Acting Postmaster General): The leader of the opposition (Mr. Meighen) made an inquiry yesterday and on behalf of the Postmaster General I desire to give him the information to-day. The memorandum I have is as follows:

> Representations have been made to the Post Office Department on behalf of the postal employees who were connected with the Winnipeg strike. These representations affect both the men who have been re-employed without regard to their seniority as well as the men who have not yet been re-employed. The matter is now under consideration and when a decision is reached legislation will be introduced in due course.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Then I may take it that legislation will be introduced.

Mr. LAPOINTE: The memorandum states:

> The matter is now under consideration and when a decision is reached—

Of course I do not know what the decision will be.

Mr. MEIGHEN: The Postmaster General says that when a decision is reached legislation will be introduced.

Mr. LAPOINTE: If necessary, of course.

Mr. MEIGHEN: He does not say that.

WELSH MINERS FOR CANADA

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to call the attention of the Acting Minister of Immigration to the following news item which appears in the Empire News of Manchester under date April 4, 1926:

> 10,000 miners for Canada.
> £11 a week wage and five years' agreement.
> Big scheme to develop new coal fields.

An Empire News representative cables from Canada news of a scheme to transport en bloc ten thousand experienced Welsh miners and their families to work certain coal measures for a group of British financiers.

It is proposed to pay the miners £11 a week, and group them in little "colonies," so that they will be in friendly and congenial circumstances. A five years' agreement is suggested.

Later on this statement is made:

Major Robbins told me he had just returned from England, having laid the proposition before the British industrial magnates, inviting them, along with their investigating engineers, to visit the mining area here.

He had also laid before the cabinet important data regarding Canada.

"Under the scheme," said Major Robbins, who is a native of Penarth, South Wales, "we propose by the aid of the experienced miners of the Welsh mining district to revolutionize coal mining in Canada and retain in the country millions of dollars that go over the border every year for this commodity."

Can the minister give us any light on this proposed immigration scheme? If it is so, will he kindly outline it a little more definitely? If not, in view of the unemployment in this country will the actual situation in Canada be given to the people in Great Britain?

Hon. CHARLES STEWART (Acting Minister of Immigration): This is the very first intimation I have had of anything of the kind. I know nothing of the scheme nor of the proposed development. I will however make inquiry and see if we have any information in the Department of Immigration.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, April 22, the debate on the motion of Hon. J. A. Robb (Minister of Finance), that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Mr. JOHN MILLAR (Qu'Appelle): Mr. Speaker, when the House adjourned last night at eleven o'clock I was being pressed to give information in regard to profits made by Canadian automobile manufacturers. Considering the action that I and others in this corner and other parts of the House have taken who voted some time ago for a resolution to reduce the customs tariff on automobiles, I think it is only fair to give such information as is asked for. It is our desire to get at the facts. If at any time we present what seems to us to be facts and they are proved to be otherwise, we are willing to yield.

I will give the profits in connection with the Canadian Ford automobile factory. In 1925, the earnings of this company amounted to $6,131,352 on an issued stock of $7,000,000 This is what was asked for. They earned in the year 1925 what would have been equal to a dividend, if paid, of 82.73 per cent. I understand that the full amount was not paid, but a dividend of 20 per cent was distributed. Now that the cut has taken place in the customs tariff on automobiles, provided that the company are not able to make any profits during the coming three years, this will still leave sufficient for them to pay a 20 per cent dividend for each of those three years and have 2.73 per cent left. Those figures may not be right, but they are taken from the Financial Post of February 12, 1926, which is, I believe, a very reliable paper.

In connection with that I wish to read from a clipping taken from a paper called Labour and this will close my remarks in regard to automobiles:

An investment company of Minneapolis, Minnesota, is urging its patrons to buy stock in the Ford Motor Company of Canada. This plant is located in Ontario, right across the river from Detroit.

The circular urging this investment points out that the Canadian Ford Company has paid $9,000 in cash dividends on every $100 originally invested; that for fifteen years it has paid an average of 32 per cent cash and 75 per cent stock dividends per year; and is all set to go ahead to still greater prosperity.

It happens that W. E. Raney, a distinguished citizen of Ontario,—

Some hon. MEMBERS: Oh, oh.

Mr. MILLAR: (Reading):

—has analyzed and explained this extraordinary prosperity. What is not due to Mr. Ford's well known methods of massed production is due to the Canadian tariff of 35 per cent on automobiles. Mr. Raney summarizes the result:

"In a general way and roughly speaking, the Canadian purchaser of a Ford car of one type or another paid from $150 to $250 more than he would have paid if there had been no protection to Ford automobiles made in Canada."

What the Canadian tariff enables Mr. Ford to do in Canada, the tariff enables the textile trust and the aluminum trust and other trusts to do in America, and in the same way, by overcharging the consumer.

That is all that I wish to say in regard to automobiles except that I might refer in a few remarks to the delegation that is here to-day.

Mr. SPENCE (Parkdale): Would the hon. member be good enough to give the profits of the Overland, Dodge and Durant made in the same period? Hon. members always quote the Ford company.

Mr. MILLAR: I cannot be expected to carry all that in my head.

Mr. SPENCE (Parkdale): You do not want to.

Mr. MILLAR: I suppose, if I had given the Dodge hon. gentlemen would have asked for the Ford.

Mr. CHAPLIN (Lincoln): Mr. Raney might have carried it in his head.

Mr. MILLAR: I believe that the company about which hon. gentlemen ask is part of General Motors, which is really an American concern. I take it that companies that are manufacturing under similar conditions and under the same tariff, if they are equally efficient and have the same mass production ought to make about the same profits. I have cited one instance and it is open to any hon. gentleman who speaks after me to prove that I am wrong.

Mr. SPENCE (Parkdale): The Dodge and the Durant are independent companies.

Some hon. MEMBERS: Order.

Mr. MILLAR: The hon. member will have an opportunity to speak later; I would rather not be interrupted now. The delegation that is here from Oshawa is one of importance, and I desire to make a few remarks in reference to it. It is rather a formidable delegation and one which I have not the slightest wish to treat lightly; indeed, I believe that these people are sincere and are convinced that they have a grievance. What I saw on many of their banners led me to believe that they were taking the matter seriously. If I mistake not there appears on one ensign the declaration that they are fighting for their homes and families. Now there are very few members in this House who would willingly do anything to endanger the homes of Canadians in any part of the country. I am absolutely sure we are all anxious to do justice to every section of the community. In connection with this matter some of our members have made a very exhaustive study, having spent, not weeks but months on it; and during the discussion that took place recently on the automobile situation we have all of us, I believe, listened with the greatest care to the various views that have been put forward. We have weighed the matter very carefully, and we have not taken action before being thoroughly convinced.

Mr. CHAPLIN (Lincoln): Which one of you took the action? We thought it was the government that was taking action.

Mr. MILLAR: When I speak of taking action I am referring to the support we have given to the reduction which has been made in the tariff. I may remind the House that a resolution in favour of such a reduction was moved a short while ago by a member of this group, so that in one sense action was first taken in this corner.

Some hon. MEMBERS: Oh, oh.

Mr. MILLAR: Hon. gentlemen to my immediate right occasionally have an hilarious spell, but I noticed that during the presentation of the budget their faces were so long it would have cost some of them a dollar to get a shave. If I may proceed without further interruption, I want to say, speaking for myself alone, that the matter having been decided, the time for negotiation is past. If, however, it is found that a readjustment in small details in any respect will facilitate matters, I have no objection.

Mr. CHAPLIN (Lincoln): Is this an announcement of the government's now?

Mr. MILLAR: I do not need to have eyes in the back of my head to know where that "meow" came from. In reference to the delegation, I do not think there is a single member in this corner of the House who would willingly vote for the reduction that has been proposed if he believed that it would force Canadians out of the country. I am convinced that after the water has been squeezed out of the stock and the industry has been made efficient, as in many instances I fear it is not, it ought to operate successfully. Some of the companies, I know, are efficient but others have not perhaps been operated as economically as possible, because effect of too much protection is to lead to inefficiency. So that after all efforts have been made to promote efficiency I am sure that the motor industry can continue to operate without lowering the standard of living of its employees to a level which we should not like to see reached in this country, a level lower than that which obtains in other walks of life in which men are engaged in similar labour and under similar conditions. If in future, after a thorough investigation by the tariff board, it is found otherwise, then it will be time enough to take further action.

There were some engaged in the manufacturing of implements two years ago who believed that the reduction on farm machinery made at that time would injure their business, and while I do not propose to give any names, I know that some of these people have found that as a matter of fact they have been able to prosper to a greater degree than before. The reduction did not work out the way they expected. If, therefore, the people who are here to-day in this delegation will put their shoulders to

the wheel, making up their minds to rise to the highest state of efficiency, they will find that they also can operate successfully. And, those who are buying automobiles among whom are many returned soldiers, just as there are in the delegation, will be able to get their cars at a lower price, while the feeling that now prevails in the country, that an industry has been receiving too much protection, will have been removed.

I want to refer briefly to a statement made by the hon. member for Muskoka-Ontario (Mr. McGibbon), that the western farmer is being given protection in the way of freight rates. That is a common fallacy. There are in the esat, I believe, many people who are under the impression that the west is being bonused, that our grain is being carried at a freight rate that represents a loss to the railways. An official of the Canadian National Railways recently made the statement that the western wheat crop was carried at a loss of $6,000,000.

Mr. CHAPLIN (Lincoln): Who would know better?

Mr. McGIBBON: May I ask the hon. member a question?

Mr. SPEAKER: Order.

Mr. MILLAR: When I have finished this. It is surely rather strange that the railways make their best net profits in the months when they are carrying our grain. If they are carrying that grain at a loss, how is it they make a greater profit at that time than at any other period of the year? Yet that is what they do. What does that statement mean? Does it mean they lost $6,000,000 by getting less than they would have got under the old rate? When he was asked to give the proof, he stated that he would do so, but later he changed his mind and, I understand, stated he would give the commission an opportunity of looking through the accounts. If any member of this House or any officials of the railways can prove that the freight rates in western Canada, not on wheat alone—we would like the figures on wheat to be separated and see where we are at on that traffic—but taking the freight rates with the express rates, are less than they are in eastern Canada, we will be quite willing to equalize them. It might be news to some people who say that the east is carrying the west in this way to find that the freight rates on other commodities are considerably higher in the west than they are in the east. Statements have been made that our railways are losing money because they are carrying freight at rates less than those prevailing in the United States. True, they are carrying grain for a less rate, but all the conditions must be taken into consideration. A railway official in United States when laying the difficulties that United States railways have to face before a rate tribunal in North Dakota made this statement:

> A large number of figures showing the amount of track operated by the two railroads, and comparisons on the rate of taxes per mile and per $100 revenue, were produced by the witness.

The two lines were the Great Northern and the Canadian Pacific.

> He declared that the Great Northern in 1924 paid taxes at the rate of $1,243 per mile, while the Canadian Pacific paid $311 per mile.

That in itself enables our Canadian railways, other things being equal, to carry commodities at a lower rate.

Mr. McGIBBON: Might I ask the question now?

Mr. MILLAR: Yes.

Mr. McGIBBON: Does not the hon. member know that in a return prepared by the statistical department, and presented to the House by the Minister of Railways of this government which my hon. friend supports, it is stated that the operating ratio on wheat is $1.26?

Mr. MILLAR: I shall require a little further information before I answer that question.

Mr. McGIBBON: The explanation is that it cost the railway $1.26 to do a dollar's worth of business. In other words, that is the operating ratio.

Mr. MILLAR: Was that on wheat alone?

Mr. McGIBBON: Yes.

Mr. MILLAR: Without further information I would not undertake to deal with that statement at the moment. Considerable effort was made by an hon. member last night to show that if our farm products were protected we would be better off—at least that was the implication. He stated that farm products in the United States were protected, and in every instance they rose in price. There is just one serious oversight there. If you have two lakes separated by a ridge of land, and you cut away that ridge, the direction of the flow of water will depend on which lake is higher. Now, it is quite understandable that in the United States, where the prices of those commodities are higher because of the larger population, protection is sure to raise those prices; but to jump at the conclusion that the effect would be the same in a sparsely settled

country like Canada, where we are exporting all those commodities in large quantities, and where the prices are lower than on the other side of the international boundary, is to say the least rash; such an argument is fallacious. Can you imagine that a tariff against American wheat is going to raise the price of our commodity? Why, never! Suppose there were no tariff, would the Americans ship their wheat over here when they can get several cents a bushel more in their own country? It would only be practicable for them to ship to some corner of Canada inaccessible to our wheat supply and close to an American wheat field. There a certain quantity will pass backwards and forwards it is true, but you cannot protect by a customs tariff a commodity where the price is low against the similar commodity of a country where the price is high. It is useless to attempt it.

In conclusion let me say that we from the west will always strive for greater unity of thought and action throughout the Dominion. There are difficulties in the Maritime provinces, and I hope that something will be done to overcome them, to assist the people there to get back to a sound economic basis. Notwithstanding the great wilderness of a thousand miles between central Canada and western Canada, I hope there will be nothing but justice and fairness on the part of all. We ask no more. In the past I am afraid those outlying parts of the Dominion have not received that fair consideration to which they were entitled. One reason why it is difficult now to get back to a basis of fairness and justice is that errors were made in the past; too much protection in some cases and too much government assistance in others were given to certain favoured sections. We are striving only for the square deal. There is no thought on our part to injure the manufacturing or any other industry. There is no wish on the part of anyone in this quarter of the House, so far as I am aware, to get back at those who have accumulated large sums of money. They may have gained their wealth fairly, they may not, but if they are using it properly, if they are investing it to give work to other Canadians, we have no desire to injure them in any way. We would, I believe, readily take action to extinguish that class which has gained its money by means that are questionable, by exacting too high prices for the commodities it has sold, by securing from governments grants of natural resources in the way of timber limits and mines. We desire to prevent a recurrence of that state of affairs. But as a representative from the west, I can say that we want to pay our share of freight rates and everything else, we want to do justice by all the other parts of Canada. With the limited knowledge I possess, Sir, I am striving to understand our national problems so that I may vote intelligently with respect to their solution. In short, I desire to do justice by all and give favours to none.

Mr. PETTIT: In what respect have the Maritime provinces not been fairly dealt with?

Mr. FORKE: Leave that to the Maritime people themselves.

Mr. G. B. NICHOLSON (East Algoma): Mr. Speaker, in rising to say a few words on the budget it is not my purpose to follow at any considerable length the hon. gentleman who has just resumed his seat. There are just one or two things on which I would like to touch very briefly. The hon. gentleman referred to the statements issued by the railway companies in such a way as to lead one to believe that in his opinion at least, and in the opinion of those who think with him, the statements as to earnings and operating costs cannot be relied on; that when the Minister of Railways brings down a statement in this House to the effect that it costs more to earn a dollar than the dollar itself in handling grain in western Canada under the present freight rate, the statement is misleading, and the officials who prepared it are not making a correct statement.

Mr. MILLAR: I made no comment on that statement; I refused to comment on it.

Mr. NICHOLSON: I submit that the only conclusion we can draw from the remarks of the hon. gentleman and from similar remarks made in regard to that question is that the hon. members are not prepared to accept as genuine the figures presented to parliament by the Minister of Railways. At the moment it is not my purpose to go into the transportation question at any length, because a time will come later when we may deal with that. In the meantime I might just put to my hon. friend and those who sit around him this question: Do they feel disposed to support a government that would wilfully issue false statements in order to deceive those who invested their money in the construction of what is now a portion of the Canadian National Railways? That is exactly what is being done, if the statements—

Mr. MACKENZIE KING: I rise to ask if it is appropriate for the hon. member to say that the government wilfully issued false statements in regard to this matter. I noticed

the right hon. leader of the opposition conferring with the hon. member; I hope this language does not emanate from him.

Mr. MEIGHEN: Mr. Speaker—

Mr. SPEAKER: Order.

Mr. MEIGHEN: The right hon. gentleman referred to me, and I have the right to make a reply. The language used by the hon. member was not given him by myself, but I support every word of it, and every member on this side of the House supports it.

Mr. NICHOLSON: If the Prime Minister feels it necessary for me to go around the House borrowing language, there is no one to whom I would rather go than the right hon. leader of the opposition. But let me repeat my statement. I simply asked my hon. friend whether or not he questions the reliability of the statements given to this House by the government as to what it costs to earn a dollar in the transportation of grain under the rates now existing in western Canada. My hon. friend implied that he was not disposed to accept these figures as genuine. The figures are given by the government; there is an issue of $25,000,000 of income bonds against the construction of the Canadian Northern Railway, the lines of which are to a very large extent in western Canada. These income bonds provide that interest will be paid to those who have put their money into the construction of that line, just as soon as that interest is earned. But no interest has been paid since 1910. Why? Because the government, which is in reality responsible for the payment of the interest, says that the freight rates in western Canada did not make it possible for the railway to earn the interest. Let me again ask my hon. friends; if they feel, as they say they do, that the statements are not correct and that the government or the servants of the government are issuing these statements for the purpose of deceiving these bondholders, do they consider that in supporting the government they are representing the feeling of the Canadian people? I submit, Sir, that if the Canadian Northern Railway, now a part of the Canadian National Railways, is earning the interest on that money, the people who purchased these bonds have a right to that interest, and it is for the government and my hon. friends to discuss now as to who is right and who is wrong.

Mr. FORKE: Would the hon. gentleman mind stating what he means when he speaks of the lines in western Canada?

Mr. NICHOLSON: All lines west of Port Arthur and Fort William. My hon. friend knows as well as I know that when anyone refers to the railway lines in western Canada and the special rates on grain in western Canada, he refers to those parts of the railway lines west of Port Arthur and Fort William.

Mr. FORKE: To Prince Rupert?

Mr. NICHOLSON: The special rates only apply from prairie points to Port Arthur and Fort William.

Mr. FORKE: Then let me remind my hon. friend that the president of the Canadian Pacific Railway said that if Mackenzie and Mann had been content to build railway lines to Fort William they would have been the richest railway men in the world.

Mr. NICHOLSON: My hon. friend finds a very easy way to beg the whole question. What the president of the Canadian Pacific Railway said with regard to Mackenzie and Mann has no bearing on this question. My hon. friends contend that the special rates applicable on grain from prairie points to Fort William and Port Arthur give an adequate return to the railway company for the traffic handled. I am not going to stop at the moment to dispute that contention, but I do say that the government supported by my hon. friends has given to this House and to the country a statement that these rates are not equitable, because the lines do not earn their operating costs in the handling of grain. My hon. friends can take one of two positions; if they support the statement of the government they deny their own statements; if they support the statements made by themselves, they charge the government with deceiving the people who put their money into these bonds. That is clearly the issue.

Referring to the delegation which waited on the government this morning, my hon. friend said that there were very few members of this House who would wilfully injure any class of people in this country. I think perhaps that is true, but the great difficulty is that this country is in such a position, in regard to its national government, that all that is required is two or three men desiring to do something, and the government gets down on its knees and yields.

Just one other point, Mr. Speaker. My hon. friend said—and this is an additional warning to the delegation which arrived here this morning—that the time for negotiation had passed. When did the time for negotiation begin? When was there an opportunity given to the manufacturers of automobiles or to the representatives of the men who are

engaged in this industry to come and lay their case either before the government or the tariff board which the government have appointed to deal with tariff matters?

Mr. MANION: Or before the Progressive party?

Mr. NICHOLSON: Yes, or before the Progressive party? When did my hon. friend from Brandon (Mr. Forke), before he reached the decision to hold the gun to the ear of the Prime Minister, ask these men to come here and lay the facts of their case before him? When did he do that? When? But now that the axe has fallen—

Mr. MILLAR: Is there any reason why, at any time since the House met, a delegation from Oshawa could not have come here if they wished to present their views to the Progressive party?

Mr. NICHOLSON: Mr. Speaker, I wonder if my hon. friend thinks that all those who are engaged in industry in this country are capable of reading the minds of my hon. friend and his friends to know just who is going to be singled out next? What reason had the automobile industry to expect that this attack would be made upon them? They had the definite declarations of the Prime Minister, made from one end of this country to the other, and made specifically in the Speech from the Throne delivered at the opening of this House, that the tariff would not be touched until an independent body had given the matter consideration. I am sorry he is not in his seat, but I wonder if my hon. friend from North Bruce (Mr. Malcolm) is worrying in his home town whether he should come down here and present his case to the government, and ascertain whether the duty is to be taken off furniture next.

The next point on which I would like to say a word is this: My hon. friend says: If, after investigation by the tariff board, conditions are found to be such that this industry cannot carry on, we will reconsider the matter. They will reconsider, not before the industry is closed, not before these workingmen are forced to leave Canada. No, but after they have gone to the United States to get work, then they are prepared to listen to any representations they may make as to whether there is any possibility of re-establishing themselves in this country.

My hon. friend referred to the implement industry, and to the fact that it was found that certain firms engaged in the manufacture of agricultural implements could carry on notwithstanding the reductions made in the tariff. That is true. I believe some of them are

carrying on, but let me from memory just give you the statement of Mr. Vincent Massey in relation to that. Speaking in the county of Durham, where he was a candidate for the House of Commons in the last election, he said: When the duty was taken off agricultural implements, there was very great concern in the agricultural implement industry, but we waited on the government. Who are we? Mr. Vincent Massey. Then what happened. He says: Concessions were made to us by taking the duty off steel and other products of allied industries which go into the manufacture of agricultural implements, with the result that we were able to carry on and make just as much money as before. But, Mr. Speaker, the steel industry went out of business.

Mr. McLEAN (Melfort): Did Mr. Massey say that the steel industry of Canada went out of business?

Mr. NICHOLSON: It was not necessary for him to say that. I will come to that in a moment, and tell of conditions of which I have personal knowledge, to show what has taken place in the steel industry.

Passing from the remarks of my hon. friend, and before touching on what I really want to say in relation to the budget itself, I ask your permission, Mr. Speaker, to refer, as my hon. friend did, to the delegation that came to Ottawa from the industrial centres all over the province of Ontario and parts of Quebec to present their case to the government this morning.

Mr. CASGRAIN: Were there any people in that delegation from the province of Quebec, and if so, who were they?

Mr. NICHOLSON: I did not take a census of the delegates, but I had the privilege of listening to His Worship the Mayor of Ottawa, who introduced the delegation, and he definitely made the statement that there were present representatives of a large number of municipalities in the province of Ontario as well as some in the province of Quebec. If His Worship the Mayor of Ottawa made a statement that was not true, then I submit my hon. friend can discuss that matter with His Worship.

Mr. PARENT: Discuss it yourself. You are speaking now.

Mr. NICHOLSON: If my hon. friend does not like to have the province of Quebec linked up with the province of Ontario even in a matter of this kind, he can settle that matter also for himself. I was going on to say, Mr. Speaker, that I am confident that anyone who

looked into the earnest faces of these workingmen and their wives, who paid their own transportation costs to come here and present their case, could not be otherwise than impressed, and very greatly impressed, with the seriousness of the situation that faced them when they would undertake to do what they did at very great expense and sacrifice to themselves. After all, Mr. Speaker, they are Canadian citizens. Many of them have demonstrated that very fully; I shall not refer to that at the moment. I take it that the tradition of the fitness of things in relation to a question of that character is this: That the first citizen of Canada, in the person of the Prime Minister, surrounded by his government, will be prepared to receive any delegation of Canadian citizens presenting their case, it matters not what it is; that he will be prepared to consider the justice or injustice of their claim; that he will receive them in the dignified manner in which the Prime Minister of Canada should receive them; and that he will hear their case and either give them a decision or advise them that he will take the matter under consideration and give them a decision later. That is what one would have expected from the Prime Minister to-day in connection with the delegation that waited on the government in the railway committee room. But what did we find?

First, the Prime Minister, accompanied by the Finance Minister, went to see these people where they had assembled in a downtown theatre, and there he made a speech to them, and what was the character of that speech? Just perhaps what one might have expected from him. He told them in his speech in the theatre that his government were prepared to hear what they had to say, to consider the representations made, and reach a decision; perhaps not exactly stating it,

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but at all events leaving the impression in the mind of anyone who listened to him that the government had an open mind on this question. But as I said, he was accompanied by the Finance Minister, more inclined perhaps than the Prime Minister seemed to be to state definitely and at once what was in his mind. He stated: "So far as I am concerned, I stand by my guns," thus administering a rebuke to the Prime Minister for side-stepping the issue in the first place. Then what followed? The Prime Minister met such of the delegation as could be accommodated in the committee room, but instead of meeting that delegation as he and the government should have done, what did we listen to? A political speech pure and simple. I venture the statement that never before in the history of this country have men been called upon to listen to a Prime Minister meet a delegation of Canadian citizens as the Prime Minister did this morning and listen to a statement such as that. What, after all, did it amount to? As I stated, it was purely and simply a political speech, and if it was not designed to deceive the delegation, then the words uttered had absolutely no meaning at all. The Prime Minister in the first place said: The government is in the hands of parliament. What does this involve? The government comes down with this legislation. Does the Prime Minister mean to say that parliament had anything to do with the preparation of the budget? I am perfectly aware of the fact that the budget was prepared under the dictation of my hon. friend from Brandon (Mr. Forke), without any question; but parliament had nothing to say in connection with it, it is the first time I submit, in the history of this country where a Prime Minister, in connection with the budget statement, comes before a body of Canadian citizens and says: In relation to our budget we take no responsibility. We wash our hands of the whole thing. If it suits parliament all right, and if it does not suit them they can do as they wish with it. That practically is the statement, but the Prime Minister went further, and let me say again, if his words were not designed to deceive that delegation and to make political capital out of what he said to the delegation, then they had no meaning at all. He undertakes to fasten on the opposition in this House, or members of parliament here assembled, responsibility for the position the government took in the matter. The right hon. leader of the opposition (Mr. Meighen) would have been entirely out of his place if he had even presumed to meet that delegation or to say anything to them. It was the government's business, but notwithstanding that fact the Prime Minister takes advantage of the opportunity, when no member opposed to him could with decency even interject a remark, to undertake to fasten on this side of the House the responsibility for what has taken place. And in doing so, what did the Prime Minister say? He stated that no member of parliament in this House had moved a resolution or taken one step to remove the grievances that these people were complaining of. It is true the Prime Minister did not use those exact words. He stated that no member of this House had taken any step or moved any resolution to

restore the tariff. Has any member of the House, except the Minister of Finance (Mr. Robb), the right to submit a resolution to restore the tariff on an article which the Minister of Finance has taken off. Let us see what hon. members on this side of the House have done. On Tuesday April 20, my hon. friend from Fort William moved this amendment to the budget:

> That all the words after "that" be struck out and the following substituted therefor:
>
> In the late general election campaign assurances were repeatedly given by the Prime Minister and other ministers of the crown that before further tariff changes were made an opportunity would be given industries affected thereby to be heard before an advisory board.

After reciting the entire resolution this is the conclusion of it:

> And this House regrets that in the case of drastic changes announced in the budget such assurances have not been fulfilled.

The language of the memorandum presented to the government, placed in the hands of the Prime Minister by the delegation this afternoon, was practically identical with the language used by my hon. friend from Fort William in that resolution—the only language that could be used—the position taken being that the assurance was given by the Prime Minister during the election campaign, and assurance given in the Speech from the Throne that these matters would receive consideration, and that this whole question would be referred to the tariff commission appointed by the government. But the Prime Minister, endeavouring again to make political capital out of the tragic position in which these workingmen and women find themselves, makes the statement—let me repeat—which if it means anything, had for its purpose nothing more or less than the deceiving of this vast delegation of Canadian citizens: "that no member of this House had made any effort or moved any resolution to grant these people redress."

Passing from that and coming to the budget itself, I desire to deal only with three phases of it, first, the public debt; second, the changes that have been made in the taxation, and, finally, the tariff changes and their relation to the whole industrial and economic life of this country. Perhaps I might be pardoned for repeating from memory, if I can, what was said by the hon. gentleman from Brandon (Mr. Forke) in the introduction to his speech a few days ago, when he congratulated the Minister of Finance on the manner in which he performed his difficult task. Whether we disagree with the hon. member for Brandon on other things or not, we agree with him that the task which was put in the hands of the Minister of Finance by the hon. member for Brandon and those who support him, was indeed a difficult task for the Minister of Finance to perform, because those of us who know the Minister of Finance know that he realizes just as well as any man in this House and out of it the effect the budget will have on the industrial and economic life of this country and on Canadian citizens generally.

Coming now to the statement of the Minister of Finance in relation to the public debt, we had again the same profuse assurances with regard to the abundant revenues and reduction of expenditures and of the public debt; and as I listened to the statement of the minister, I could not help but feel, how long are the Canadian people going to submit to have an annual financial statement given to them by the Minister of Finance ,or by those who prepare the financial statement for the minister, which, if made by the president or directors of an incorporated company on which to secure a loan from the bank, would land them behind the bars. In reality that is the character of statement we have been receiving because of this fact, that the annual statement, and particularly this annual statement, does not disclose the actual conditions in relation to the public debt of this country. It does not disclose what our assets and liabilities in reality are. The minister says we have a surplus of revenue over expenditures, ignoring entirely $18,000,000 of bonds, referred to by my hon. friend from Muskoka (Mr. McGibbon) last evening, issued by the Canadian National, ignoring entirely $63,000,000, the amount which the Canadian National went into debt last year, and wiping out the so-called surplus, and making a deficit of $50,000,000 on these two items, ignoring entirely the bond issue of $5,000,000 guaranteed in December last, to what we termed in this House previously and may term again, the 1925 election campaign fund railway, which is being built up in northern Quebec. There in the aggregate, Mr. Speaker, is $85,000,000 in these three items entirely ignored, and that is the character of statement we have.

I do not intend to go any further into the general financial situation, because I know that, as soon as his health is sufficiently recovered, the hon. member for West York (Sir Henry Drayton) will deal with this question exhaustively.

Coming to the reductions in taxation, there is no question, Mr. Speaker, and everyone will agree, that it is time Canada put her house in order, and reached the point where there

would be genuine reductions in taxation, and if I might digress for a moment again, I would say that if the government would give some consideration to the complete reorganization of the finances of the country, they could save $25,000,000 in interest on the national debt, a saving which could have been effected at any time during the years since 1922. Every country in the world with a debt as large as ours has done it. The United States did it, Great Britain did it, and France, notwithstanding all her difficulties, has done it. Germany is doing it and countries in southeastern Europe, the new states created out of the war, have undertaken to fund their debt, spreading it over a long period of time, but we have the government going back and forward, between Ottawa and New York, issuing treasury bills and bonds at six months or a year, and all that kind of thing, at the highest rates of interest, and with the expense of issuing and re-issuing the series of bonds that is involved.

As regards the question of taxation reductions, a reduction has been made by doing away with the stamp tax on receipts, a tax which was imposed by this government itself. There is a further reduction in postage from three cents to two cents, and then there are the changes in the income tax which have been heralded as a means by which the Canadian people are to be saved, perhaps, $20,000,000 to $22,000,000. But, Sir, if you will analyse the provisions of the new income tax law you will find that instead of a reduction in the income tax there has simply been a transference of the burden from one set of people to another It may be that the set of people to whom the income tax has been transferred are the people who should pay that tax; but when the Minister of Finance came forward to make his budget statement, he should have manfully said: I am going to relieve one class of people and impose the tax burden on the other. Instead of that he camouflaged the whole situation by saying: We are making a reduction in the income tax, whereas it will work out as I have stated in transferring the incidence of the tax from one class of people to the other and transferring it to that class of people where it will do more injury to the economic and industrial life of this country than any other kind of taxation that could be imposed.

If the Prime Minister, as he did during the 1924 budget debate, had gone down to New York and surrounded himself with Henry Ford, representatives of the International Harvester Company and representatives of the United States Steel Corporation and asked them to work out a plan by which the investment of money in Canadian industry could be completely discouraged, he could not have arrived at a better plan, because this is what has happened. A man who puts his money, if he has any, into United States securities, Brazilian securities or government bonds, is taxed once; but if he dare invest a dollar in Canadian industry, if he should undertake to do anything for the development of his country, he is immediately taxed twice.

Let us see how the new tax with its so-called reductions works out in relation to the old. On an income of $5,000 that is earned in a Canadian industry, under the old act the tax was $525. Under the new act, you pay a company tax of $450 and an individual tax of $160, making the tax $610 instead of $525.

On a $10,000 income earned in the same way, whereas you formerly paid $1,165, now you pay $1,460 or an increase of $295, because you invest your money in Canadian industry.

On an income of $20,000 secured in the same way, whereas you paid formerly $2,990, now you pay $3,340, or an increase of $350.

How does the new tax work out in relation to the man who invests his money in Canada and the man who invests it outside of Canada? A man who invests money outside of Canada or in non-productive bonds of some character where his money is not doing anything to develop this country, on an income of $5,000 pays a tax of $40. If he is the type of man who wants to assist in building up this country, he pays $490 on the same amount.

On a $10,000 income in the same way, the man who invests his money outside of Canada pays a tax of $290, whereas the man who puts his money into business or industry in Canada pays a tax of $1,190.

On an income of $20,000, the man who invests his money in foreign securities pays a tax of $1,540, whereas the man who invests his money in Canada pays a tax of $3,340 and so on.

The government is not satisfied with that double form of taxation and if a man happens to invest his money in a northern Ontario mine, for instance, he is still further taxed. I may say just at this point that if the government would give some attention to assisting in the development of the vast resources of this country and encourage the men who are willing to go out into the newer parts of Canada and spend their lives and money in building up this country, it would be doing something worth while for the Canadian people. Let us illustrate the

matter in this way. A man invests his money in Canadian company A. Company A has a subsidiary company B and company B has a subsidiary company C. That is a common thing. That is the manner in which all these mining industries, water-power industries, lumbering industries and other industrial companies of every character are built up. Company C earns $10,000 and pays $900 tax, turning over $9,100 to company B. Company B pays in turn a tax of $819 turning over $8,281 to company A. Company A pays a tax of $745.29 on the $10,000 or 25 per cent in all. The tax does not stop there. The money is distributed to the individual shareholders and the individual pays a tax on top of that.

The worst feature and, to my mind, the most pernicious feature is this. There are companies organized by families, for instance a man and his sons or a man and his wife. These are what are termed family companies and they exist all over this country. What happens in their case? If in their business for a single year they have an income of $5,000 or $10,000 or whatever it may be, but that income is represented in goods on their shelves or material which they are going to manufacture or anything else, and they are in all probability carrying a heavy obligation at the bank in order to enable them to build up their business, what takes place? The government taxes this income whether it be distributed or not, compelling the man to go to the bank a second time, borrow additional money and pay further interest on it in order to pay income tax on money it was impossible for them to distribute.

In relation to this, as in relation to other aspects of the budget to which I will refer as I go on, if the government had deliberately set out, under the guidance of a group of experts, to devise a policy to discourage Canadians from doing anything to help build up their own country, they could not have done it more effectively than they have done it in this whole system. One is forced, as one looks at conditions that have prevailed and are prevailing in this country and the opportunities with which the country is confronted, to wonder at the stagnation that exists, but after all what can we expect? The two things we require in Canada in order that we can make out of this country what it is designed to be is, first, people and, second, capital, but this whole plan is devised to make it impossible for any man who has money to put it into Canadian industry because he is penalized the moment he does so whether he is a Canadian or not.

[Mr. Nicholson.]

Passing on to the next phase of the budget, that is in relation to the attack that has been made on the protective system, in the first instance I am not going to argue that the import duty on automobiles was too high or too low because, frankly speaking, I do not know and at the moment I have no means of knowing. The government in making this attack has not furnished parliament with any information whatever as to the basis upon which it reaches its conclusions. All that we have is the general information which we are able to secure by such means as a private individual can take for himself. We do know, however, that those who are engaged in the business, and who I presume know that business just as well as any other class of people do, say that they cannot carry on. So that, unless there was a deliberate design on the part of the government to destroy the industry, the manufacturers of automobiles should have been given an opportunity of presenting their case and proving whether they could or could not carry on before the government proposed the reduction in duties. That is the first principle.

The total value of automobiles manufactured in Canada last year was $67,000,000. Perhaps I am repeating what is already on Hansard, but as I have not heard the whole situation discussed, and as the matter is of such vast importance, I shall venture to give these figures again. I say the total value of automobiles manufactured in this country during the past year amounted to $67,000,000. Had those automobiles been imported the duty paid upon them would have been $17,000,000, because the cars would have come in at a valuation not more than 75 per cent of the sales price in Canada. Now, the automobile industry itself pays a duty on parts and materials used in the construction of the cars amounting to $7,418,000, while the allied industries pay, on the parts and materials which they import, more than $2,500,000, or $10,000,000. In addition to that the automobile industry has been paying into the treasury of the country $2,000,000 in income tax. This makes a total of $12,000,000 which the industry pays in various forms of taxation. It will be seen, therefore, that the protection represented in that $17,000,000 is not as great as appears on the face of it inasmuch as, if this $12,000,000 is deducted, the actual duty would amount to $5,000,000, or 7½ per cent. And this has no reference whatever to the multitude of industries that are paying taxes in other directions, and which are affected by the reduction in the duty on automobiles.

Of what benefit to this country is the automobile industry? To answer that question it is necessary that I repeat figures that have already appeared in Hansard. The automobile industry empolys 22,000 men, representing a population of 100,000, while it distributes in wages some $32,000,000. But it does not stop there. It purchases materials to the value of $33,000,000 or $35,000,000, thus creating throughout the country industries that are staggering under the blow of this tariff reduction. In its general effect the present tariff reduction, if persisted in, will mean the complete industrial paralysis of a large part of Canada, because the automobile industry was the last rock in the foundation upon which industrial Canada has rested. The previous tariff onslaughts served to destroy a wide range of industries in Canada, such as the glass, woollen, the shoe and the steel manufacturers, and along with these the kindred industries that are necessary to their operation.

If the House will bear with me I will try to show the vicious circle that must be completed when any attack of this character is made upon any one substantial industry. Take the lumber in the provinces of New Brunswick, Quebec and Ontario: some people will say superficially that an attack upon the automobile industry cannot react unfavourably upon lumbering. But what are the facts? Fifty million feet of New Brunswick, Quebec, and Ontario spruce and jackpine are used in the automobile industry for conversion into crates and boxes, and in addition to that some 15,000,000 feet are used in the allied industries. What does that mean? It means that another 3,000 men will be thrown out of employment. Hon. gentlemen opposite are smiling blandly; evidently they do not realize the gravity of the situation. Let me tell them that the lumbering industry in New Brunswick, Quebec and northern Ontario is employing in the present year, 1926, only 40 per cent of the number of men they employed between 1919 and 1923. What is the explanation of that? It is due to the fact that industrial Canada has been paralysed by the attacks made by this government upon the tariff. We frequently hear the suggestion that reductions in the tariff tend to make the implements of production cheap, and so encourage the natural industries of the country. Well, if there is any business in Canada that should profit as a result of the implements of production being cheapened that business is lumbering. It was said on the floor of the House a few days ago that, the duties on saw-mill and logging machinery in British Columbia having been reduced, these implements had been lowered in price. But my hon. friend from Burrard (Mr. Clark) effectively exploded that myth so far as British Columbia is concerned, for instead of such implements used in the lumbering industry having been reduced, they have been made more expensive. And the same thing applies throughout Ontario, Quebec and New Brunswick. Prices are to-day 20 per cent higher than they were three years ago on everything you buy. There is this further fact to be remembered; when the lumberman buys a box of Indiana axes or a dozen saws made by the Diston company in Philadelphia, he buys in addition to these tools the box in which they come. That box is made in the United States out of United States lumber by United States workmen, or by Canadians who have been exiled from their own country through want of employment, and who are living in houses built by Americans and incidentally, our own country is depopulated to the extent that such people go over to the United States. So there we have the vicious circle complete.

To come back to the automobile industry. I want to refer particularly to the duty on automobiles going into England, and to comment on the question so frequently asked by my hon. friend from Brandon (Mr. Forke) and other hon. gentlemen to my left, why it is that our manufacturers, if they can compete in the markets of Europe and in the English market especially, are unable to compete in Canada. Now, if the Canadian manufacturer ships an automobile into the British market he pays a duty of 33⅓ per cent based on the value of the car at point of landing. Including freight, ocean carriage, packing, insurance and everything else involved, his cost comes to 40 per cent, and as he is allowed a rebate of 33⅓ per cent he pays a net duty of approximately 27 per cent. On the other hand, if the English manufacturer ships his car to Canada under the preferential tariff, he pays a duty of 12½ per cent based on the invoice or manufacturing cost, without reference to carrying charges, insurance or packing. Furthermore, the imported car in England pays a license of £1 per horse-power, which in the case of a Chevrolet amounts to $107 and in the case of a Ford to $116.64, which must be added to the duty. France charges 45 per cent flat; Italy, 35 per cent, plus 43 per cent, or a total of 78 per cent; the United States, 30 per cent as the minimum, the duty ranging up to 50 per cent; and Australia 12½ per cent on the chassis. But note that the automobile complete, imported into Australia, pays a duty of $267.20. New Zealand charges

26 per cent on the invoice price, plus 10 per cent on labour, inland freight, ocean freight and so on.

Now with regard to export. The point so frequently stressed against the Canadian industrialist is that he can sell his goods in the world markets. On cars he exports the manufacturer gets a drawback of ninety-nine per cent of every cent of duty he pays on the materials entering into their manufacture. But in his home market he is at this disadvantage, that he must pay a sales tax of five per cent and an excise tax varying from five to ten per cent, according to the value of the car, or fifteen per cent in all. Now, if the desire of the government, as has been stated, was to give the Canadian people cheaper cars, and if the desire also was to give the industry a chance to live, why did not the government take off the sales tax or the excise tax? Instead, they preferred to take off the duty and leave those taxes as a bonus to the United States automobile manufacturers.

Now, Mr. Speaker, as I said at the outset, it is not my purpose to argue that the duty on automobiles is what it should be, but I do say that if we are to deal fairly with all classes of Canadian industry and all classes of our people, the automobile industry should have been given an opportunity to present their case before their protection was interfered with. If the government were serious in appointing the tariff board rather than simply taking this means of sidestepping their responsibilities and deceiving the people, as they have frequently done by appointing commissions of all kinds during the last four and a half years, why was this automobile industry not allowed to submit their case to the Tariff Advisory Board?

This morning I listened to the Prime Minister address the delegation of automobile employees in the Railway committee room, and I was amazed that he should make such statements to a lot of intelligent working-class Canadians. You will recall, Sir, that last year in Kingston, in Oshawa, and in a score of other places the Prime Minister stated definitely that no changes would be made in the tariff until expert advice had been secured and the whole question investigated. How are you going to investigate a question if one party to it is left out altogether? The Prime Minister stated to that delegation of workingmen and their wives that this whole matter had been under serious consideration during the last session of parliament and during the intervening period, and that the government had arrived at its conclusion only after the most careful investigation. Where did the government get their facts? Was anyone employed in the automobile industry given an opportunity to present the case of the workingmen? The great majority of these men are members of recognized bodies of organized labour, and they could have sent delegates to give the government expert information on the manufacture of automobiles. Where did the government get their expert advice? In the resolution presented to this House by my hon. friend who sits at this desk (Mr. Coote) and in the representations from those sitting around him. No one associated with the automobile industry had an opportunity to say a single word.

But if the Prime Minister was correct in what he said at Kingston, Oshawa and other places last fall, and if subsequent to that we are to assume that some investigation was made and the government reached that conclusion, why did they go further and undertake the deception of His Excellency the Governor General, of this parliament and of the country in the Speech from the Throne? Here is the language they put into His Excellency's mouth:

> We believe that in the interest of industrial development every effort should be made to eliminate the element of uncertainty with respect to tariff changes; that changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the Ministry with respect thereto. A Tariff Advisory Board will accordingly be appointed forthwith. This Board will be expected to make a careful study of the Customs Tariff, the revenue to be derived therefrom and the effect of the tariff and allied factors on industry and agriculture..

That was presented to parliament on January 7, a little more than three months ago. Speaking to the delegation this morning, the Prime Minister said: We have been giving the most careful consideration to this whole question. Then why this paragraph in the Speech from the Throne? I say to you, Mr. Speaker, that the reduction in the automobile tariff not only affects that industry, you cannot name a single industry of any account whatsoever in this country that is not also affected by the reduction. When the duty on automobiles and trucks was reduced, I repeat, Sir, the last stone was taken from the foundation of the whole industrial structure of this country. Let me go back over this again:

> We believe that in the interest of industrial development every effort should be made to eliminate the element of uncertainty with respect to tariff changes.

Does the uncertainty created by the tariff reductions in this budget tend to stability in our industrial life? You could not find anyone in Canada to-day or outside of it who knows anything about our conditions who would be fool enough to invest one single dollar in a Canadian industry in the face of this interference with the tariff, notwithstanding the undertaking given in the Speech from the Throne that no tariff changes would be made except on the advice of the Tariff Advisory Board which was there promised, and which has since been appointed by the government. Again I say, Mr. Speaker, the Prime Minister was either deceiving His Excellency the Governor General and this House when he put those words into the Speech from the Throne, or he was deceiving the delegation in the speech he made to them this morning.

Mr. SPEAKER: May I remind the hon. gentleman that it is not parliamentary on his part to say that either the government or any member of the House has spoken or acted in a way to deceive anyone. I would refer him to Beauchesne's Parliamentary Rules and Forms, where at page 63, paragraph 238, he will find the following:

> The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference.

The language used by the hon. gentleman a little earlier in his speech was apparently somewhat involved, otherwise I would then have called him to order. Whether it be the government or a member of the House, as I said the other day, individually or collectively, neither can be accused of deceiving. Such language is not parliamentary. I would therefore call on the hon. gentleman to withdraw the expression.

Mr. NICHOLSON: Mr. Speaker, I bow to your ruling with very great pleasure, and I will say at once that not being able to understand the implications the Prime Minister was making in his remarks to the delegation this morning, nor the language used in the Speech from the Throne, he perhaps was not deceiving either the delegation or parliament.

Just in relation to that matter of stability in industry and the result of this instability, I wonder if the House would bear with me if I very briefly went back over the fiscal history of this country. Those who are old enough will remember the condition which prevailed before the introduction of the National Policy in 1878, and we know the conditions which prevailed thereafter. As soon as the National Policy was introduced the country began to prosper, and continued to prosper until an attack was made on that fiscal policy in 1889. That continued in three different specific phases until 1896—as commercial union, free trade, unrestricted reciprocity and so on. Hon. members will remember all the different phases of that controversy. Then the country became unsettled; those who had money to invest were afraid to invest it; industrial establishment did not expand and the country stood still. There were two political parties in the country, one a declared protectionist party and the other declaring that if and when it came into power it would destroy every vestige of protection.

Then what happened? In 1896 a general election took place; that so-called free trade or commercial union or unrestricted reciprocity party came into power, and the great leader of that party secured the Hon. W. S. Fielding, now Right Hon. W. S. Fielding, as Minister of Finance. There is no man in the public life of this country for whom Canadians have more respect, because of his steadfastness of purpose during the whole of his public career, than the Right Hon. W. S. Fielding. In 1897 Mr. Fielding introduced his first budget, and this is what he said:

> It would be folly not to remember that we are dealing not with the protected manufacturers only but that the interests of labour have to be considered as well as the interests of capital. . . . I hesitate not to say that if we should to-day, by some rash step, do that which some hon. gentlemen say we are bound to do. . . . we would not only break down the manufacturing interests of the country, but we would deal a blow to other interests of a wider and more serious character.

Then again, Mr. Fielding said:

> We submit that it is a wiser policy to wait and see what shall be the outcome of the present uncertainty in the United States. . . . We submit that pending such negotiations and pending the settlement of the American tariff question and a clear understanding of what will be the effect which their policy may have upon the affairs of Canada, it is the part of prudence that we should to-day hold our hands—

Further on Mr. Fielding said:

> I have to tell the House that it is not the intention of the governement. . . . to propose any great reduction in the tariff as applied to those countries which are not disposed to trade with us.

Then what followed? Will anyone disagree when I say that as soon as that statement was issued the Canadian people took heart and the country again went ahead under a protective policy maintained by the late Sir Wilfrid Laurier and by Mr. Fielding as Finance Minister, just as the country had prospered under the previous government?

The total changes made in the customs tariff, between 1896 and 1911, was less than six-tenths of one per cent, and in many items the tariff was increased. The country continued to progress until the outbreak of the Great war.

We need not go into the conditions prevailing during that period, but what followed? In 1919 Canada had the greatest opportunity that has ever come to a people of the same numbers in the history of the world. Europe was completely devastated; complete chaos followed the war, and millions of people were anxiously looking for some place to make homes for themselves. Canada has the greatest store of undeveloped natural wealth of all the countries of the world. If we had had the vision and the wisdom to maintain an economic and fiscal policy which would have made it possible for us to develop Canada we would have gone far, but again what happened? A political party, more anxious for office than for Canada, declared that if they came into power the tariff would again be attacked, joining with the United Grain Growers of western Canada in their declarations for the wiping out of every vestige of protection afforded Canadian industry.

That party came into power in 1922, with Mr. Fielding again Minister of Finance. In his first budget speech Mr. Fielding practically repeated what he had said in 1897, that we must have stability in fiscal matters. Following that statement there was a reheartening, to some degree at least, of the Canadian people, notwithstanding the fact that the clamour continued for the wiping out of protection to Canadian industry. At the end of 1923 Mr. Fielding's health broke down; he could no longer carry on and a new Finance minister came into office. I do not wish to say one harsh word against my hon. friend the present Minister of Finance, for whom I have the highest personal regard. I will say, however, that he did not have the strength of character to stand up and do what he knew should be done if this prosperity were to continue, so the tariff was again attacked. What was the result? In very much less time than Mr. Fielding anticipated, industrial stagnation has taken place all over this country.

Some hon. MEMBERS: Oh, oh.

Mr. NICHOLSON: Hon. members may laugh if they wish, but let me repeat this question, which I have asked in this House more than once. Will someone rise and tell any dozen of these workingmen who have come here from the city of Toronto, having lost their jobs through the closing down of the automobile factories, where they can go in Canada with a reasonable assurance of getting profitable employment? Will anyone answer that question? I say you cannot point out a single—

Mr. SPENCE (Maple Creek): Yes; let them come out west and we will give them employment.

Mr. NICHOLSON: I will come to the west in a moment, if the hon. member will just have patience. Will anyone guarantee these men permanent, profitable employment in western Canada?

Mr. YOUNG (Saskatoon): In western Canada we do not guarantee things; but if a man goes out there he has to work and look out for himself. If any man comes out west and wants to work he will find employment which will give him a fair return for his labour.

Mr. NICHOLSON: What about the 10,000 people who went west last year, paying their own transportation, who were unable to earn enough money to pay their fares back home? What has my hon. friend to say about that?

Mr. YOUNG (Saskatoon): I would say to the hon. member that if that is true surely he should give us some chance, and make the implements of production a little cheaper.

Mr. NICHOLSON: Let me tell the hon. member something. I happened to be in western Canada last fall on two occasions during that period, and I assisted men to come back from the west when they were unable to earn sufficient money to bring themselves back home. I will come to this question of cheaper implements of production and give my hon. friend some information if he will just possess his soul in patience for a few moments.

An hon. MEMBER: He farms the farmers.

Mr. NICHOLSON: There are a good many men in this country who are farming the farmers. Let me repeat: That condition has been created in this country, notwithstanding the fact that more than a half million Canadian citizens have been forced to leave Canada during the past four and a half years because they were unable to get employment at a living wage in their own country. I challenge any hon. member of this House to show me a single village, town or city from North Cape Breton to the west coast of Vancouver island to which a dozen of these men who have lost their jobs in Toronto, Oshawa, Windsor and St. Catharines could go, with a

reasonable prospect of getting profitable employment. Will anyone undertake to answer that challenge?

Now I will come to my hon. friend's question. He suggests that the farmers of the west be given a chance through cheap implements. That is the theory of the free trader, of the man who wants to destroy Canadian industry: Give us cheap implements! Let me repeat, I know what it means to buy implements, and I say that implements of every variety have increased in price since the cuts were made in the tariff of this country. It is the same with everything else: just as soon as you put yourselves in the hands of the industrial corporations in the United States, the price immediately goes up.

In 1919 a committee of this House carried on an investigation, and they asked the grain growers of Saskatchewan to send here someone who was an expert on the production of wheat. The man who moved that resolution, as a matter of fact, was the then representative for the constituency of Mackenzie, Mr. Reid. Mr. Hugh Thompson, of Moose Jaw, Saskatchewan, was sent down here by the grain growers of Saskatchewan to give evidence. He went into complete detail in relation to the growing of wheat on 320 acres of land in Saskatchewan, and after he had given these full details to determine the value of machinery of every description he was asked the question: Assuming that the Canadian manufacturer adds the full duty, plus a reasonable profit, to the cost of manufacture, which every sane man who knows anything about the business knows he does not do—but assuming that he did, for the sake of the western free trader's argument, not mine—what effect would that have on the cost of production of wheat on a 320 acre farm in western Canada? Now remember, this man was under oath, and in reply to that question he gave his own figures: he said, six-tenths of one cent per bushel. That would be the effect based on the assumption, which is wholly fallacious, that the Canadian manufacturer added the full amount of the duty, plus a reasonable profit, to the cost of production.

Another witness was brought before that committee to give evidence, this time from the province of Ontario, sent here by the United Farmers of Ontario to give evidence as to the cost of producing foodstuffs on an Ontario farm. It was the Hon. E. C. Drury, the leader of the United Farmers of Ontario, the Progressive party in this province, the man who was going to usher in a new day in the province of Ontario, and who certainly did, but the kind of day the Canadian people never want to see again, and Mr. Drury's sworn testimony was this: If the manufacturer added the full amount of the duty, it had the effect on the cost of producing foodstuffs in the province of Ontario of less than 2½ per cent.

Let me repeat, Mr. Speaker, I know something about purchasing implements, and I know that the price of implements has gone up, and it goes up every time we place ourselves in the hands of the industrial corporations of the United States. May I, in passing, say just one word with regard to that? If there is any country that has given the whole world an example in industrial economics and one that we at all events would do well to follow, it is the United States. From 1866 right down to the present day, taking their whole tariff on the average, the United States has been the most highly protected country in the world, and what have they accomplished under that policy? They have multiplied their population three and one-half times during that period, they have multiplied their industrial wealth almost one hundred times, and with what result? They have raised the standard of living to the highest level known in any country in the world, and their standard of wages is the highest of any country in the world. Their production of implements and of everything else that they produce is the lowest in cost of any place in the world. They sell their steel products in free trade Manchester. Steel rails made by the United States Steel Corporation are laid on the streets of the city of Manchester for the street cars to run on. Hon. gentlemen all over this House have proclaimed that they can buy their goods cheaper in the United States than they can in Canada. Why? The United States is the most highly protected country in the world. They have mass production, and yet some say that we should subject ourselves, our industries and our workingmen, to the competition of that country. I have said a score of times in the last three or four years that unless Canada adopts a different course from the one she has been travelling along economic and industrial lines in the last few years, this generation will see Canada absorbed industrially into the United States. As a cold matter of fact, we are now vassals of the United States industrially and economically. I am going to take the liberty of quoting again an extract quoted by my hon. friend from South Wellington (Mr. Guthrie) in the speech he made in this budget debate. It is taken from the bulletin of the United States

Department of Commerce, an official document presented to the President of the United States by an official board set up to inquire into all economic and industrial matters. It says:

> Economically and socially Canada may be considered as a northern extension of the United States, our trade with Canada being in many respects more like domestic trade than our foreign trade with other countries. The movement of industrial raw material from Canada into the United States and the return flow of a miscellaneous assortment of manufactured goods is not unlike a similar flow between the west and the south and the more industrialized eastern part of the United States.

Again, quoting from the same report, and if anyone desires to check this up they can do so by referring to page 265 of the bulletin of the United States Department of Commerce, dated November 3, 1924, they say this, in relation to what this government is doing:

> Against the set policy of the Conservative party of building up a thoroughly protective tariff to favour Canadian industries, has been operating the influence of the Liberal party who stand for a moderate level of import duties and a generous measure of preference to empire products.

Again:

> Each of the three budgets presented by the present government have carried changes in the Canadian import duties, and almost invariably downward.

Then here is the sting:

> United States manufacturers have been the principal suppliers to Canada of most of the classes of goods on which the duties into Canada have been reduced during the last three years.

In other words, United States manufacturers and United States citizens, instead of our own Canadian manufacturers and Canadian citizens are the beneficiaries of the policy of this government, and have been beneficiaries for the last four years.

I said a moment ago that we were, if not completely, rapidly becoming vassals of the United States, and that we cannot maintain our national identity if we continue in the course we have been travelling the past few years. Already 500,000 Canadians have gone to the United States in the past five years, and what class of people are they? Are they men and women who came here as immigrants, stayed with us only a short time and then left? Many of them are, no doubt. Last week I took occasion to go to the office of the registrar general for the province of Ontario, in the city of Toronto, and I learned that during 1924 and 1925 the registrar general of this province had issued duplicate birth certificates to native sons or native daughters of the province to the number of one hundred per day, to permit these young men and these young women to become permanent residents of the United States. Has the exodus stopped? During January, February and March of this year the average was something a little over seventy per day.

Last year the Hon. Senator Beaubien put on Hansard—I have not got it here—a statement showing what has taken place in our sister province of Quebec. How long, Mr. Speaker can we continue to export our native-born sons and daughters and maintain our national identity?

5 p.m.

What else? A return brought down in this House prepared by Mr. Grant MacNeill of the Great War Veterans' Association showed that some 100,000 of the men who put on uniform, and pledged their lives to save civilization during the Great war, have found conditions on coming back to Canada such that it was necessary for them to leave this country and go to the United States, and still this movement keeps on.

Let me now quote from the Manitoba Free Press of the 6th of October last: Mr. Johnson, registrar of aliens in the United States, speaking at Providence, Rhode Island, on October the 6th last said:

> A new deportation law and a more easily workable Naturalization Act were advocated by Chairman Johnson, of the House Immigration committee, in a prepared address to-night before the League of Women Voters of Rhode Island.
>
> Citing "the increasing percentage of arrivals from Cuba, Mexico, South American countries and Canada" Mr. Johnson said these arrivals would provide a basis for fixed quotas!

And so on. Mr. Johnson, the registrar of aliens in the United States, includes as aliens those coming from Canada and those coming from Cuba, Mexico and South American countries. The influx of these people has become so great, Mr. Johnson says, that steps will have to be taken to restrict the number of Canadians, Cubans, Mexicans and South Americans entering the United States. Still hon. gentlemen tell us this exodus is merely a myth. Go into any town, village or country place you like, in any part of Canada, gather twenty-five people together, and ask them if it is a myth. Ask the fathers and mothers of the boys who have gone if it is a myth. I have a letter from a Roman Catholic priest in my own riding pointing out that since October last seven families have left his parish and gone to the United States to find employment.

Hon. gentlemen opposite referred to the steel industry and the effect of the tariff on it. I will deal briefly with that matter, because my hon. friend from West Algoma (Mr. Simpson) will speak on that question later on. The industry to which I refer, the Algoma

Steel Company, is located in his riding. That company operating to capacity would employ 7,500 men, a potential population of 50,000 people. What has happened since 1922? It has not been working half time since that year, and never more than 2,000 men employed in it. I have somewhere under my hand the quantity of pig iron we import into Canada which I will give to the House. But the Algoma Steel Corporation, on account of pig iron being a heavy commodity, and transportation charges being very high, had worked up a business in northern Minnesota and Michigan for the small quantity of pig iron they could produce; they were doing this to give employment to their men, and the total amount exported in 1924 was 3,600 odd tons. The United States did not consider it necessary to raise their duty on pig iron, but the United States tariff board said, "We cannot afford to allow 3,600 pounds of Canadian pig iron to come into the United States. We will put a barrier against it, and not one single ounce of that pig iron will come into our country." This was done notwithstanding the fact that we are importing millions of dollars worth of the same commodity from the United States. I will give the House some figures of what we have imported. I have the latest bulletin issued by the Minister of Trade and Commerce, under the signature of J. A. Robb, Minister of Finance, and these figures are extracted from this book. The figures are as follows:

Binder twine	$ 6,671,823
Fertilizers	2,831,411
Paints and Varnishes	3,853,853
Soap	1,128,154
Fire bricks	1,397,342
Cotton yarns	2,718,190
Cotton fabrics, bleached	1,724,189
Cotton fabrics, dyed	10,104,458
Cotton fabrics, printed	1,754,807
Wearing apparel	2,314,234
Miscellaneous glass	7,155,760
Window glass	1,248,712

And three window glass plants in Canada have been closed down as a result of that tariff, which has turned 2,500 Canadians out of employment. Window glass and glass of every description is 20 per cent higher than it was before the import duties were removed and we are now importing our glass from Belgium and the United States. The table continues:

Plate glass	$1,829,007
Hats and caps	2,951,753
Boots and shoes	1,670,054

That is the reason the men have already left their homes in Quebec.

Electrical apparatus	$15,501,301
Pig iron ingots, etc	1,551,783

And yet the Algoma Steel Company is forbidden to export 3,600 tons of pig iron from their plant in Canada to the United States:

Rolling mill products, general	$38,006,810
Tubes, pipes and fittings	3,142,701
Wire	2,648,403
Engines and boilers	11,603,174
Farm implements	11,234,839
Hardware and cutlery	3,369,937
Machinery	30,158,936

Now what has happened to the steel trade? The great majority of these things are the manufactures of iron. That is what has happened to our steel industry. The changes in the tariff have placed the industry at Sydney in a position where it is unable to operate and that is the reason every steel industry in the whole of this country is tied up. The man who will say that the steel industry in Canada has not been ruined knows nothing about the conditions. The table continues:

Miscellaneous tools	$ 1,912,204
Vehicles	36,416,906
Freight automobiles	1,693,369
Passenger automobiles	12,855,940
Automobile parts	20,690,989
Nuts and bolts	4,567,451
Oil cloth	729,273
Paper	9,142,177

They take our raw products to the States and send them back in the form of paper. The next item is:

Pneumatic tires	$ 492,473
Furniture	1,269,331

That is in spite of the tariff my hon. friend from North Bruce enjoys:

Dress goods of wool	$2,643,850

I want to turn to another phase of the matter. My hon. friends to the left say that they are anxious to improve the condition of the farmer in Canada. I heard an hon. member to my right say that it was a case of desiring to farm the farmer. Be that as it may, some of us would like to feel that we are living in a farming country and that we should, if we are going to develop this country, raise in our own country all the farm produce we require. If we destroyed all our industries and reverted to the stone age, surely we should be able to raise enough maize and grind it between two stones to enable us to live. Last year we imported the following:

Agricultural and vegetable products	$196,041,785
Animal products	45,703,203
Total	$241,744,988

If the House will permit, I will put the details on Hansard without reading them, but I wish to refer to one or two special items in connection with this matter.

Mr. LAPOINTE: Is it just the figures my hon. friend wishes to place on Hansard?

Mr. NICHOLSON: Just the figures to make up the total.

Mr. LAPOINTE: If it is only figures I have no objection.

Mr. NICHOLSON: Those figures are taken from the document from which I have quoted. We imported $12,046,315 of books and printed matter. I had intended to say something about the advisability of placing a duty on American magazines coming into this country, because this item is made up to a considerable degree of American magazines.

Mr. BIRD: I thought my hon. friend was going to comment on that list of articles.

Mr. NICHOLSON: I will. I believe one thing that tends to sap our national life is the fact that this country is flooded with United States magazines, and I commend to the government the desirability of taking some steps to encourage the production of Canadian magazines by putting Canadian magazine publishers on at least a basis of equality with United States magazine publishers who are shipping their magazines into this country.

One item in our imports and exports to which I wish to refer particularly is that of settlers' effects. We have been spending an average of $4,000,000 to $5,000,000 a year in an effort to induce people to come to Canada. To me, as a Canadian, it has always gone strongly against my grain to feel that with a country such as we have, it should be necessary to fine-comb the earth and to spend large sums of money in order to induce people to come here while our neighbours to the south of us are spending three or four times that amount of money in trying to keep people out. Notwithstanding that, we did succeed in getting people to come to Canada in 1925 and they brought with them $6,163,523 worth of settlers' effects. But during the same period we drove people out of this country by the policy that we are following and they took with them settlers' effects to the value of $7,540,201. Or, to put the matter in another way, after spending our money we were in settlers' effects $1,376,678 worse off than we were before.

The hon. member for Nelson (Mr. Bird) asked me to make some comment on this list of agricultural imports:

Article	Value
Cheese	$2,304,167
Live animals	2,408,507
Grain and grain products	15,409,018
Hides and skins raw	9,185,128

Take note of that. Cheap implements of production! My hon. friends in western Canada are breaking their farms with teams of horses with harness on them that is made out of hides taken off the backs of Argentine republic steers.

Raw wool	$6,545,476
Woollen yarns	2,797,645

Just note this woollen question, for instance. We have practically closed up eighty per cent of the woollen industry in this country, and in the time that we have been doing that we have reduced the number of sheep on Canadian farms by more than one million head. If every single head of sheep that is being raised and maintained on Canadian farms was herded into one flock you could pasture them on Manitoulin island in Georgian bay, and yet we call ourselves a farming country. The complete list of figures I wish to put upon Hansard is as follows:

Manufactured Products That We Could Produce	
Binder twine	$ 6,671,823
Fertilizers	2,831,411
Paints and varnishes	3,853,853
Soap	1,128,154
Fire bricks	1,397,342
Cotton yarns	2,718,190
Cotton fabrics, bleached	1,724,189
Cotton fabrics, dyed	10,104,458
Cotton fabrics, printed	1,754,807
Wearing apparel	2,314,234
Miscellaneous glass	7,155,760
Window glass	1,248,712
Plate glass	1,829,007
Hats and caps	2,951,753
Boots and shoes	1,670,054
Electrical apparatus	15,501,301
Pig iron ingots, etc	1,551,783
Rolling mill products, general	38,006,810
Tubes, pipes and fittings	3,142,701
Wire	2,648,403
Engines and boilers	11,603,174
Farm implements	11,234,839
Hardware and cutlery	3,369,937
Machinery	30,158,936
Miscellaneous tools	1,912,204
Vehicles	36,416,906
Freight automobiles	1,693,369
Passenger automobiles	12,855,940
Automobile parts	20,690,989
Nuts and bolts	4,567,451
Oil cloth	729,273
Paper	9,142,177
Pneumatic tires	492,473
Furniture	1,269,331
Dress goods of wool	2,643,850
	$258,985,594

Imports Into Canada, 1925	
Agricultural and vegetable products	$196,041,785
Animal products	45,703,203
Total	$241,744,988

Including the following:	
Live animals	$ 2,408,507
Cheese (10,274,388 pounds value)	2,304,167
Eggs in the shell (2,721,606 dozen)	957,708
Fruits	27,022,194
Grain and grain products	15,409,018
Hides and skins, raw	9,185,128
Lard and compounds (3,650,269 pounds)	513,341
Leather, unmanufactured	3,834,972
Leather, manufactured	3,405,864
Meats	4,984,456
Bacon and hams	181,562
Fresh pork	1,166,960
Pork in brine	1,041,029
Fresh vegetables	4,272,027
Canned vegetables	13,076,577
Raw wool	6,545,476
Woollen yarns	2,797,645
	$99,106,631
Miscellaneous woollen goods, manufactured or partially manufactured	$ 46,595,874
Tweeds	3,065,564
Worsteds and coatings	12,487,601
	$161,255,670
Special Items	
Books and printed matter	$12,046,315
Chemical products	27,653,819
Fish	2,234,262
Grease for soap	1,049,463
Settlers effects	6,163,523
Settlers effects exported	$7,540,201
Difference	1,376,678
	$49,147,382

My hon. friends referred to Saskatchewan and the west. I took the liberty of going through Manitoba, Saskatchewan and Alberta two or three times in the last few years. In 1924 I motored 800 miles through Alberta; I met a large number of farmers, went to their homes and discussed their problems and my own. One afternoon I met a group of twenty-five or twenty-six farmers and their wives at a little gathering in a little town in Alberta and we discussed the common problems of Canada. I asked this question: Will you tell me, you men who have been in this country the time you have, what it is that is holding this wonderful province back? Why is it that you are literally standing still? Why was it necessary for the United Farmers of Alberta on one of the days that I was in that province, to hold a meeting, pass a resolution and send it to this government, pleading with them not to send any more men on to the land in western Canada until conditions changed? The answer came immediately: Because we have no markets. One man said: The only thing we can sell is wheat and we have to transport that across two continents practically in order to find a market for it. If one-half of the farmers are hailed out and the world supply is low and the price is high—we can make a living; but if there is a good crop throughout the world the price goes down until we cannot make a living. I will say this to my hon. friends as one of those raw easterners who are looked upon with such ignominy by my hon. friends: I have lived in the open spaces of this country for forty-two years; if the growing of wheat is the destiny of western Canada, then western Canada has achieved its destiny because you are growing all the wheat you can find a profitable market for. If there is a member in this House, either of the government or of any of these two groups that can show me or the House—and I say he cannot—where you can market an increase of fifty per cent in the wheat production of western Canada, I will apologize for everything I have said. But if you do make that increase you cannot find a market for it within the confines of the habitable globe.

Mr. HOWDEN: Does the hon. gentleman know that we grow the best wheat in the world in western Canada and does he know that there is always a market for the best products and that there is no danger of our running short of a market for the wheat we grow in western Canada?

Mr. NICHOLSON: I know that we grow the best wheat in Canada in western Canada.

Mr. HOWDEN: The best in the world.

Mr. NICHOLSON: Yes, the best wheat in the world in western Canada, and no one is prouder of the fact that we can grow the best wheat in the world than I am. But I do not know that the rest of my hon. friend's statement is correct, because I do know there have been years when you could not market your crop profitably in western Canada because you had too much wheat. One of those years was 1923, not so very long ago, when the price of wheat in the world market went down to a point where the western wheat grower himself said that it was impossible to grow wheat profitably. I will repeat my statement that if you increase the volume of wheat in western Canada by fifty per cent you cannot find a market for it within the confines of the habitable globe.

Let me repeat what these Alberta farmers, real farmers, men who are endeavouring to develop that country, said to me. They said: If we had a market for our cattle, hogs, butter, cheese and our vegetable products, this would be the Garden of Eden for the farmer. I asked them: Why is it that while the two cities of Minneapolis and St. Paul have been adding half a million people to their population and furnishing a market for the people in the northern

and northwestern states, the cities of Winnipeg, Brandon, Moose Jaw, Regina, Saskatoon, Prince Albert, Edmonton and Calgary have added less than 100,000 to their population? The answer is simply this, that Minneapolis and St. Paul constitute the industrial centre for the northwestern states and for a large part of northwestern Canada due to the fact that we are encouraging United States industry to the discouragement of Canadian industry. Is there any reason in the world why Manitoba, Saskatchewan and Alberta, with all the illimitable resources they have, should not be industrial centres just the same as the northwestern parts of the United States? None whatsoever. Until the people in all of Canada see that the policy that this country should follow is the development of Canadian industry of every single type on a fair and reasonable basis, Canada will continue to stand still or drift backwards. That is the condition.

Mr. YOUNG (Saskatoon): What was the position of the United States farmer just below the line at the same time?

Mr. NICHOLSON: He was getting more for his wheat.

Mr. YOUNG (Saskatoon): Why?

Mr. NICHOLSON: If hon. gentlemen want to get the details they have only to consult Hansard, and if they do not want to accept the figures there given they may go to the Department of Trade and Commerce of the United States and have them confirmed.

Mr. HOWDEN: Does the hon. gentleman think we could get more for our wheat by having a protective duty?

Mr. NICHOLSON: This country would not import wheat anyway. I do not want to beg the question at all, and I will say that in my opinion we cannot enhance the price of wheat by a protective duty. But if wheat growing is to be the destiny of western Canada then I say that western Canada has reached its limit. I can tell my hon. friends what we might do—my hon. friend shakes his head. I will not argue the question further. If any hon. gentleman can submit any facts to disprove what I have said he is perfectly at liberty to do so, but I would ask my good friends to tell us where they could find a market for their wheat except such as they have at present. The world's market for wheat is limited; do not make any mistake about that. And let me assure hon. gentlemen that Russia and eastern Europe are not going to remain forever in the condition in which they have been recently.

[Mr. Nicholson.]

Mr. VALLANCE: Was Russia always in that position?

Mr. NICHOLSON: No, and when Russia was in the world's market for wheat Canada was producing less than half the wheat she produced in 1924.

Mr. VALLANCE: Yes, and the United States was exporting more wheat then than she is now. Not only that; we had not at that time the oriental market which is being developed to-day.

Mr. BEAUBIEN: Does my hon. friend know that 1925 was the largest crop year we have ever had in the history of Canada?

Mr. NICHOLSON: I have not the figures before me but I do not think my hon. friend is right. Now, western Canada must do the same as eastern Canada has done; she must create a market out there for agricultural products other than wheat. The western farmer must raise cattle, hogs, sheep and other products of this nature. I heard an hon. member make the statement in this House the other day that we raised enough cattle in the Dominion to supply 50,000,000 people. If that is evidence of the extent of the information hon. gentlemen have on subjects of this kind then I sympathize with them. Why, one industrial city the size of Hamilton consumes more beef cattle in a single year than the whole Dominion exported last year, and that was the greatest exporting year we have ever had.

Before I conclude I want to refer once more to the delegation that waited upon the government this afternoon. As one sat and looked into the faces of those men and listened to their plea, which was characterized by an entire absence of the slightest tinge of anything partisan, a plea for mere justice, a plea for hard-working Canadians to be allowed to live and labour in their own country, one could not help being impressed with their grievances. As I heard one grey-haired veteran relate the condition of the war veterans in the city of Oshawa, I recalled the experience I had some years ago when visiting the battlefields of France and Flanders. Going through that devastated area in 1920, I saw the trench systems, the dugouts, the shell craters, all bearing testimony to the heroism of our soldiers; and above all I saw what was literally a forest of crosses covering the whole area. As I looked upon this scene I asked myself why those 60,000 Canadians were lying there, and why they had made that sacrifice. Why did they leave their homes to lay down their bodies in a foreign country, and why was it that 450,000 other

Canadians made the potential sacrifice?—for they were all, every one of them, just as ready to give up their lives. Why was it that these brave men went and fought over there, so many of them dying in the struggle? It has been said that it was done for France. Well, that is true; it was to save France and Belgium. But the sacrifice meant more than that.

Miss MACPHAIL: Does the hon. member really believe that?

Mr. NICHOLSON: If I did not believe it I should be the most desolate man in the world.

Miss MACPHAIL: Is the hon. gentleman willing, then, not only to support, but if possible to strengthen, a policy that can only perpetuate international friction and discord?

Mr. NICHOLSON: We may disagree as to methods, but in relation to anything that can by any possibility prevent a recurrence of what took place between 1914 and 1918 there is not a man with a soul in his body who is not prepared to help to the utmost of his power. I am sure that every one of us would do everything under heaven to prevent a cataclysm of that kind ever occurring again. But I ask, what was it that caused these men to go over there and lay down their lives? It was to save France and Belgium, it was to save civilization, it is said. True; it was to save civilization. But it was to save Canada as well. These men made the sacrifice in order to protect the homes of Canadians so that the mothers and wives, the sisters and sweethearts, the women of this country whom my hon. friend from Southeast Grey (Miss Macphail) represents in this House, would never again be called upon to endure the tortures and to go through the hell of the experience which the women of northern France and Belgium could not escape in those years.

Miss MACPHAIL: Will the hon. member admit that what caused the late war causes all wars? Will he admit that the prime cause was an economic one, and that the protection of women and children was no part of it?

Mr. NICHOLSON: I will not admit anything of the kind. I will not be drawn into a discussion at the moment as to what the cause of the war was, but I do know, as we all know, that 60,000 of the best of our Canadian manhood went forward and willingly laid down their lives to save Canada in that war, while 450,000 made the same sacrifice potentially, having been willing to die if necessary. Those who were not killed have returned, and their representatives this afternoon appealed to this government for the right to earn their living in their own country. That is all they were doing; they asked nothing but justice. One hundred thousand of their number have already been forced to leave Canada, and as a result of the proposal this government brings down in the present budget thousands upon thousands more of them will be compelled to migrate from Canada to seek employment elsewhere. As I said at the outset, if the government had engaged a group of Wall Street experts to devise a policy that had for its object the transference of the whole industrial and economic life of this country to the United States, they could not have got a more complete plan than that which they themselves have suggested to parliament in the budget now under consideration.

Mr. J. GORDON ROSS (Moose Jaw): Mr. Speaker, no section of the budget has aroused more interest than the lowering of the tariff on automobiles. The reason is clear. The man who owns one feels that he will some day buy another. He who does not possess a car always retains a hope. We live alongside the great American republic. Our people cross and recross the boundary line. We read Canadian and American publications. A motor car is a definite thing. We know what it is and we know that motor cars on the Canadian side of the line are approximately 35 per cent higher in price than on the American side. There is here no case for academic dispute.

Hon. gentlemen opposite love to tell us that tariffs lower prices. They try to tell us that if the tariff is applied long enough and high enough the price will come down. They imply, I presume, that the Canadian manufacturers' Association is an organization for lowering prices—they seem to suggest that the Oshawa delegation has constituted itself into a committee to lower the cost of living and that all they seek is a chance to bring down prices to the point that will permit the people to buy! No sane man holds such views. The case was plainly stated by the Hon. A. J. Balfour—now Lord Balfour—when he said:

> The object of a tariff is to raise prices—if it fails to raise prices, it fails in the accomplishment of its object.

I accept the definition of Lord Balfour.

Mr. BURY: Will the hon. gentleman tell us where that quotation is from?

Mr. ROSS (Moose Jaw): From a speech made by the Hon. A. J. Balfour during the Chamberlain high tariff campaign.

Mr. BURY: Cannot the hon. member give us the publication?

Mr. ROSS (Moose Jaw): In that sense protection has not failed in Canada. I quote—

Mr. RYCKMAN: Will the hon. gentleman please give the name of the publication?

Mr. ROSS (Moose Jaw): I will give it to my hon. friend if he will call at my office in the morning.

Mr. RYCKMAN: I am asking for it now.

Some hon. MEMBERS: Order.

Mr. RYCKMAN: Mr. Speaker, will the hon. gentleman kindly give the name of the publication?

Mr. ROSS (Moose Jaw): Mr. Speaker, I have not yet said that I would permit the hon. member to ask me a question.

Mr. RYCKMAN: I am merely asking the hon. gentleman a question.

Mr. BOIVIN: You have no right to do so.

Mr. MEIGHEN: Was it not published in the Moose Jaw Times?

Mr. ROSS (Moose Jaw): Mr. Speaker, I have not yet permitted the right hon. gentleman to ask me a question.

Mr. LAPOINTE: Or else he has been misquoted by the leader of the opposition.

Mr. MEIGHEN: Like the Prime Minister.

Mr. ROSS (Moose Jaw): I quote in this connection a few words from the Automobile Trade Journal. It is published by the MacLean Publishing Company.

Mr. RYCKMAN: Why not give the name of the other publication?

Some hon. MEMBERS: Order.

Mr. ROSS (Moose Jaw): A copy of the publication was sent to every member of this House. It was full of pleas for the retention of protection. They give the figures showing the increased cost of automobiles. Permit me to read briefly from their editorial:

> We have before us comparative prices upon one line. While the parent concern operates in Detroit there is an extensive Canadian plant, and in the "Canadian Automotive Trade" has been shown a comparison of the American list price and the Canadian list price. We will take one line in particular. In the touring model the increase in the Canadian list price is 36.87 per cent; in the roadster, 37.08 per cent; in the sedan, 37.19 per cent.
>
> In a higher priced line the increase of the Canadian list price over the American list price is as follows: in the phaeton, 33.33 per cent; the roadster, 39.69 per cent; the sedan 34.22 per cent; the brougham, 34.32 per cent; the coupe, 34.26 per cent; the coach 34.60 per cent.

Interesting, isn't it? The increase all round is a little over 35 per cent—strange numerical coincidence, the tariff also is 35 per cent. But I want to read further, and to stress this item. I hope that my hon. friend from Fort William (Mr. Manion) who quoted with such fervour the statement in Molesworth's Fiscal Facts and Fallacies that tariffs did not raise prices, will take this message to heart. The editorial goes on to say:

> It is very clear that there is scant advantage of the Canadian protective duty taken here, and we have no doubt Canadian manufacturers generally can show equally forcible statistics.

Note the words, "equally forcible;" that is, equally capable of forcing 35 per cent additional out of the pockets of the Canadian people. We have now reached the point of frank admission by practical men that tariffs do increase prices. Against that may be set the remarks of a theorist like the hon. member for Fort William, who tells us the exact opposite. We may leave it at that, and the public and this House will judge rightly in regard to these contentions.

Now, I want to make myself perfectly clear upon one point. We on this side of the House are anxious to build up the industries of Canada. We are just as anxious—I will not say more anxious—than hon. gentlemen opposite to do so. We hold that these industries would be vastly expanded and enlarged, not by more tariff but by less. Sometimes we are challenged to state if we are absolute free traders. I will answer that question when hon. gentlemen opposite tell us if they are absolute exclusionists? We differ as to what constitutes "adequate protection."

In my humble judgment—and I intend to give reasons for the faith that is in me—the tariff upon automobiles is far too high, and industry generally, including the automobile industry, will profit, and profit greatly, from the lowering of the tariff on automobiles and the other reductions in the budget this year. Let me give a few examples. The tariff on automobiles is as you know 35 per cent. We imported into Canada of dutiable goods during the first nine months of the fiscal year $430,000,000, on which the duties collected were $106,000,000, or roughly 24 per cent. The tariff on agricultural implements runs from free to 20 per cent; on cottons it averages on all imports of dutiable goods 23 per cent; on woollens 23 per cent; on boots

and shoes under the British preference 17½ per cent. Why should automobiles be favoured with 35 per cent? May I point out that there is justification for the argument that the duty on autos should be lower than on cottons and woollens? We import very few autos from France, Italy and Germany; in the main they come from the United States. Cottons and woollens do come from these protectionist low wage countries. We have heard the plea of low wages in other countries. It seems to me that automobile manufacturers, not having to compete with the low wage production of continental Europe but rather with the high wage rates existing in the United States, need less and not more protection than the textile industry.

But there is one thing that is supremely British about our manufacturers. It is not their courage—they are far from being courageous; it is not their faith in Canada—barring only the leader of the opposition (Mr. Meighen) and the Tory party out of office. No single section of the community ever exhibits such evidence of the blues! But they have one British conception—what they have they hold. Give them a toe-hold and they will worm in their whole bodies. They are like cats; let their head but get into a rat-hole and their whole anatomy will follow. Give them the right to exclude some goods to their own aggrandizement and they would exclude all. Yes! What they have they hold, yet by the eternal they ask for more!

Was ever, in all the history of parliamentary institutions, such a spectacle presented as that which we have recently witnessed in this House? The net earnings of the Ford Motor Company of Canada last year were $6,131,352; the original cash investment on which that earning was built up was $63,500. Their "net" on a capital of $7,000,000—and that capital built up out of earnings—was 82.73 per cent. The people of Canada built the Ford Motor Company of Canada; they paid for it out of their own hard earnings, yet Ford owns it. The net gain to him from his investment in this Canadian enterprise was $21,000,000. Yet, their pockets bulging with wealth, their coffers crammed, scattering out melons right and left to their American shareholders, their representative comes suppliantly before this House, and asks that these things shall continue. Meanwhile Mr. Ford himself tells us the industry would profit even by absolute free trade. I want to tell you that lower tariffs will not hurt this giant industry. I want it to prosper, I want it to prosper as the agricultural implement industry has prospered under lower tariffs.

Hon. gentlemen opposite may differ from me in regard to this. For my part I am going to discuss realities; we members from the province of Saskatchewan have long since ceased to live in a land of dreams and nightmares. I am going to make particular reference to one item—binders. If my hon. friends are anxious to do so, we shall be delighted to follow them into further fields. The figures are:

Imports of binders, Fiscal year—	
1914	3,770
1920	1,661
1921	3,485
1922	1,316
1923	1,606
1924	3,332
1925	1,091

I am trying to face these figures fairly. I have left out the war years and the post-war years as too much disturbed to indicate real conditions. What do we find under these conditions? In no single year since the Liberal tariff came into force have we imported as many binders into Canada as we did in the placid, peaceful pre-war year, 1914. "Oh," I hear you say, "this tariff has not been long in effect, wait and see." There is something tragic in Toryism, always looking forward to a day of gloom. I have cheering news for you. In the first nine months of this fiscal year we brought into this country—and they are nearly all imported in the first nine months of every fiscal year—only 1,865 binders. That is more than last year, but not much more than half the number imported in 1923 before the tariff was reduced.

May I mention mowers also. The hon. member for South Wellington (Mr. Guthrie) was alarmed about the imports of mowers. He told us of thousands leaving their native land because of the imports of mowers. Well, here are the figures—in each case they are for the first nine months of the fiscal year:

1923	531	nine months ending December
1924	390	nine months ending December
1925	286	nine months ending December

These are facts taken from our trade reports. I set them up against the dreams—nay more, the hopes—of hon. gentlemen opposite. They were anxious that imports might increase and an industry or two fail so as to give point to their arguments. We must realize the facts: tariffs do not keep goods out, tariffs only make goods dear.

Meanwhile, what has happened to the Massey-Harris Company, our largest manufacturer of farm implements? The figures are:

1921	Loss	$1,456,000
1922	"	643,000
1923	"	409,578
1924	Profit	87,000
1925	"	1,411,174

Mr. MEIGHEN: Is the hon. gentleman aware that much of our implement production now comes in in parts because of the reduction in the tariff? They are merely assembled here, which gives a profit to the manufacturer but takes away the jobs of the men.

Mr. ROSS (Moose Jaw): I know that is done in the motor industry, but I do not know about the implement industry.

Mr. MEIGHEN: And it will be done to a greater extent in the automobile industry under this budget.

Mr. ROSS (Moose Jaw): It is facts like these—and the industrial history of Canada is full of them—which should cause hon. gentlemen opposite to change their ways. Why will they not recognize the facts? Why will they not now, at this late date, admit their error and say: "We have sinned; we have failed to recognize the industrial needs of this great country. It is not a tariff 'adequately high' that is needed for industrial development; it is one sufficiently low"? Will they do it? Well, listen to their wail when the tariff on agricultural implements was lowered. Here are the words of the right hon. leader of the opposition in his address on the budget in 1924:

> There never was a more violent assault on stability in the last thirty years than there is in this budget, nor has the effect of that assault ever been more immediate and more apparent.

That sounds rough, doesn't it? But that is nothing. Hon. gentlemen opposite have wept so copiously since October 29 that the source of their tears has all but dried up. The tears and wails of to-day sound like the sighing of the soft sea waves compared to the outburst when the British preference was first introduced in 1897. Listen to this from Sir Charles Tupper, the war horse of Cumberland—

Mr. ROBINSON: Will the hon. gentleman say who wrote his speech for him?

Mr. McMILLAN: Not the Tory treadmill upstairs, anyway.

Mr. ROSS (Moose Jaw): Although I do not believe I have any very great ability, I am pleased to say that I am responsible for this speech.

Mr. MULLINS: Would the hon. gentleman permit a question?

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. ROSS (Moose Jaw): I will do as the hon. member for Toronto East Centre (Mr. Bristol) did the other day; I do not want to be interrupted. Here are the words of Sir Charles Tupper, the war horse of Cumberland:

> I confess, Sir, that I listened with the most profound astonishment to the speech delivered by the hon. Minister of Finance (Mr. Fielding).

And to-day the hon. member for East Algoma (Mr. Nicholson) patted Mr. Fielding on the back for that budget. But here is what Sir Charles Tupper had to say:

> I did not suppose it possible, whether in one section of the empire or another, for a great parliament such as that which the Dominion of Canada possess, to have presented for its consideration a bill of such entirely illegal and unconstitutional character. I have no hesitation in saying you will search the history of parliamentary government throughout the British Empire in vain to find any parallel for the position in which we find ourselves in relation to the budget speech of the hon. Minister of Finance.

Mr. LAPOINTE: Same language to-day.

Mr. MEIGHEN: Will the hon. gentleman permit a question, or does he still not hear? Is he not aware that that speech was made with reference to a budget which, finally, never went into effect?

Mr. ROSS (Moose Jaw): Mr. Speaker, there is another leader of the opposition misquoted. Sir Charles Tupper went on to say:

> I listened to this most remarkable address with the most profound astonishment because it violated the most plain, clearly understood and well-known laws governing the parliament of Canada. It was in antagonism with the constitution of the country and in violation of everything that hon. gentlemen on either side of the House had a right to expect from the Minister of Finance.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 4, respecting the Canadian Pacific Railway Company.—Mr. Jelliff.

Bill No. 5, respecting the Interprovincial and James Bay Railway Company.—Mr. Parent.

SECOND READINGS

Bill No. 24, to provide for changing the names of certain Pension Fund Societies.—Mr. Mercier.

Bill No. 25, for the relief of Elizabeth Gertrude Orr.—Mr. Lennox.

Bill No. 26, for the relief of Melville James Andrews.—Mr. Duff.

Bill No. 27, for the relief of Harry Reginald Oddy.—Mr. Jacobs.

Bill No. 28, for the relief of Mildred Roxie Horner.—Mr. Lennox.

Bill No. 29, for the relief of Frances Muriel Burnet.—Mr. Geary.

Bill No. 30, for the relief of Ada Toms.—Mr. McClenaghan.

Bill No. 31, for the relief of Vera Sanderson.—Mr. McClenaghan.

Bill No. 32, for the relief of Noel Leslie Deuxbury.—Mr. Bell (Hamilton).

Bill No. 33, for the relief of Lillian May O'Reilly.—Mr. Arthurs.

Bill No. 34, for the relief of Jean Victoria Dillane.—Mr. Lennox.

Bill No. 35, for the relief of Ethel Alberta Barker.—Mr. Arthurs.

Bill No. 36, for the relief of Annie Hazel McCausland.—Mr. Jacobs.

Bill No. 37, for the relief of Sterling LeRoy Spicer.—Mr. McClenaghan.

Bill No. 38, for the relief of Amy Bell Corney.—Mr. Bell (Hamilton).

Bill No. 39, for the relief of David Frank Croiser.—Mr. Bell (Hamilton).

Bill No. 40, for the relief of Ethel Gildea Nye Brown.—Mr. Duff.

Bill No. 41, for the relief of Edward Thomas Faragher.—Mr. Peck.

Bill No. 42, for the relief of Bertha Viola Lidkea.—Mr. McClenaghan.

Bill No. 43, for the relief of Mike Ayoub (otherwise known as Michael Ayoub).—Mr. McClenaghan.

Bill No. 44, for the relief of Alice Marion McGinley.—Mr. Garland (Carleton).

Bill No. 45, for the relief of Harold Edgar Perinchief.—Mr. Garland (Carleton).

Bill No. 46, for the relief of Hendel Tuerner Lubrinetsky.—Mr. McClenaghan.

Bill No. 47, for the relief of Paul Hugh Turnbull.—Mr. Garland (Carleton).

Bill No. 48, for the relief of Helen Elby Pollington.—Mr. Mewburn.

Bill No. 49, for the relief of Alexander Stewart.—Mr. Harris.

Bill No. 50, for the relief of William Melville Moore.—Mr. Casselman.

Bill No. 51, for the relief of John Samuel Milligan.—Mr. Anderson (Toronto-High Park).

Bill No. 52, for the relief of Marion Richardson.—Mr. Jacobs.

Bill No. 53, for the relief of Isadore Boadner.—Mr. Jacobs.

Bill No. 54, for the relief of William Albert Thomas.—Mr. Casselman.

Bill No. 55, for the relief of Gertrude Isabel Clark.—Mr. Church.

Bill No. 56, for the relief of Helen Seymour O'Connor.—Mr. Casselman.

Bill No. 57, for the relief of Yetta Selma Trachsell.—Mr. Wright.

Bill No. 58, for the relief of Alexander Dewar.—Mr. McClenaghan.

Bill No. 59, for the relief of Florence Burrell.—Mr. Jacobs.

Bill No. 60, for the relief of Edith Marion Byam.—Mr. Lennox.

Bill No. 61, for the relief of Charles Davidson.—Mr. Jacobs.

Bill No. 62, for the relief of Doris Selina Irvin.—Mr. Jacobs.

Bill No. 63, for the relief of Frank John Davis.—Mr. McClenaghan.

Bill No. 64, for the relief of John Norman Smith McMurray.—Mr. Charters.

Bill No. 65, for the relief of Archie Claire McIntyre.—Mr. Duff.

Bill No. 66, for the relief of Mabel Elizabeth Harcourt.—Mr. Bell (Hamilton).

Bill No. 67, for the relief of Louise Gordon Pook.—Mr. Bell (St. Antoine).

Bill No. 68, for the relief of Ezillah Harriet Cole.—Mr. Stinson.

Bill No. 69, for the relief of Gertrude Burnside.—Mr. Kay.

Bill No. 70, for the relief of Cora Mae Murray.—Mr. Goodison.

Bill No. 71, for the relief of Janet Thornhill Gorrie.—Mr. Anderson (Toronto-High Park).

Bill No. 72, for the relief of Lillian DuBord Bulloch.—Mr. Jacobs.

Bill No. 73, for the relief of Henrietta Schierholtz.—Mr. McClenaghan .

Bill No. 74, for the relief of Maude Elizabeth Gilroy.—Mr. McClenaghan.

Bill No. 75, for the relief of Richard Howard Buckley.—Mr. McClenaghan.

Bill No. 76, for the relief of William George Darlington.—Mr. McClenaghan.

Bill No. 77, for the relief of Arthur Watson.—Mr. McClenaghan.

Bill No. 78, for the relief of Frances Majorie Warren.—Mr. McClenaghan.

Bill No. 79, for the relief of Charles Douglas Palmer.—Mr. McClenaghan.

Bill No. 80, for the relief of Isobel Lamontagne.—Mr. McClenaghan.

Bill No. 81, for the relief of Jane Johnston Mitchell Wells.—Mr. Geary.

Bill No. 82, for the relief of Jeremiah Gibbs.—Mr. Mewburn.

Bill No. 83, for the relief of Caroline Elizabeth Risbridger.—Mr. Mewburn.

Bill No. 84, for the relief of Cassie Woodley—Mr. Church.

Bill No. 85, for the relief of Isabella Freeman.—Mr. Harris.

Bill No. 86, for the relief of George Guthrie.—Mr. Stewart (Leeds).

Bill No. 87, for the relief of Lily Stead.—Mr. Mewburn.

Bill No. 88, for the relief of Alice Grace Hopkins.—Mr. Mewburn.

Bill No. 89, for the relief of Vera Catherine Searle.—Mr. Ladner.

Bill No. 90, for the relief of Sidney Charles Frost.—Mr. McClenaghan.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Mr. ROSS (Moose Jaw): Mr. Speaker, when the House rose at six o'clock I was reading one of the wails of the protectionists in a speech of the Hon. Sir Charles Tupper in the budget debate of 1897: It is quite similar to the wails that we have heard in this House. I will continue it:

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

What happened is a matter of history not conjecture. No sooner had the government passed that budget than industry sprang into life. Canada went forward as never before. But the wail goes on, and the leader of the opposition kicked about every reduction. Then for a while the Liberals did not do much reducing of the tariff. What happened? The ramparts of gold speech from the right hon. gentleman from Portage la Prairie! He was avid for tariff reduction then! My hon. friend kicks at everything. He reminds me of a remark made by a friend of mine in regard to the late Hon. Joseph Martin, a very able man and known to many in this House. He said of Mr. Martin:

> He kicks the living and the dead,
> He even kicks himself in bed.

[Mr. J. G. Ross.]

One would think that my hon. friend would get weary, but he holds the courage of despair—despair of ever getting into office!

Now there is another matter to which I wish to refer. My hon. friend the member for Fort William (Mr. Manion) said the other day:

> Who is being helped by this budget? The Americans largely. I know very little help that is being given to Canadians by it. What we have delivered to us here is simply an American budget.

I shall not follow my hon. friend further in this quotation. At this point he brought in the Pyrenees. When these mountains come into the hon. gentleman's speech we may step out.

Well, what do we find? A delegation comes down to Ottawa and asks the government to put back the duty on motor cars to 35 per cent. Who comes? Who are the fiancial interests back of that delegation? Mr. Henry Ford will not be here; he is too big to go on his knees before even this government. Besides, he knows better. Mr. W. R. Campbell comes along and tries to tell us that he knows more than Ford. Listen, Mr. Speaker and hon. gentlemen of the House of Commons, to this petition:

> I am a maker of cars. You have by means of a high tariff given us a chance to make 82.73 per cent out of you last year. The Liberals are trying to change the rules of the game. Heretofore, I have been able to extract that amount for the benefit of myself and my American friends. Be good, please. Please put back the duty on motor cars to 35 per cent.

That is the plea of these American stockholders. But Ford says that increased production would cause even greater progress under free trade.

And what about General Motors, Limited? The entire stock of that corporation is owned by the General Motors Corporation of the United States. Canadians have no direct voice in its affairs. The American parent concern is one of the great industrial organizations in the United States. Its assets are given in Pool's Manual as over $592,000,000. Its net earnings amount to $71,802,000. It controls eight great manufacturing divisions; fifteen accessory groups; eleven affiliated industries; one hundred and thirteen sales divisions; six accessory sales divisions; eight export and overseas departments. This again is closely linked up with the Dupont powder interests who control also Canadian Explosives and Northern Giant Explosives, Limited. We are told now that the general manager of the United States General Motors, says:

> We will manufacture in the United States unless you amend this budget, which lessens by 15 per cent our power to exploit the Canadian people.

Well, I know my answer. I know too the answer of the hon. gentlemen in the front benches opposite. The Duponts and Morgans crack the whip, and the hinged knees of my hon. friends bend! My reply is different. Our ancestors kicked kings from their thrones; manned the tiny ships as the great armada bore down upon England; stood with the martyrs on the fields of death; fought tyrants as tyrants only can be fought—by risk of life and fortune. They would not bow down to the Duponts of New Jersey! I say to our manufacturers: Go back to your factories—devote to business the time now spent on lobbying. You have the capacity and ability for great national service. In Heaven's name do not waste it in seeking for government favours!

My hon. friend the member for Fort William, with all the capacity for mock heroics which fits so naturally on to his ample frame, tells us:

> It will not be long before the international boundary line will no longer exist between these two countries.

I yield not so much as the width of one blonde hair to my hon. friend in devotion to my native land, but I say calmly and deliberately and with a full sense of the meaning of the words: if this parliament is to form its budget under the dictation of the Duponts and the Morgans, then the sooner we obliterate that line the better.

One word more and I am through. Before the English occupied Egypt, when that country was under the domain of the Turk, the collection of taxes was "farmed" out to certain gentlemen throughout the country. These men gave the government a certain amount and they squeezed the hapless fellah or peasant of Egypt to the last drop that was in him. We have developed that custom here. We give to certain United States gentlemen the right to exploit the Canadian people by means of a high tariff. They come over here and build branch factories; they squeeze us to the full extent of the tariff protection we have given them, and they send their profits back to the land of their birth. And hon. gentlemen opposite applaud and cheer and say: Isn't it great? Long live Canadians so they may be exploited by their neighbours!" Well, the British came into Egypt. The exploiters were driven out, and they wailed as every protectionist wails. But the taxes came down; good government was established. "We made a man out of Pharaoh," and in that land of oppression prosperity came. We are going to do that in Canada. Liberalism is alive in Canada; it has found its soul. We have been living in the shadows. You have seen a tree grow up in the woods that way; the foliage is pale and the growth stunted. Then something happens to let in the light and the tree grows; the leaves take on a richer colour, and it reaches out into the sunlight. Above all the others, it stands sun-crowned, a monarch of the forest! Just so with Liberalism. It has had its shadows; there have been dark days when the road seemed hard and the task heavy, but the Liberal spirit has triumphed at last. Its sinews have strengthened; the mists have rolled away from before its eyes; the path before us is plain and straight, and in the light of that clearer vision, not only Liberalism but Canada goes forward to the achievement of a newer and a grander day.

Mr. A. M. EDWARDS (South Waterloo): I rise with a good deal of hesitation and timidity after the remarks of the hon. member for Moose Jaw (Mr. Ross). Belonging as I do to that very much hated class, the Ontario manufacturers, perhaps I may take from the hon. gentleman some very good advice inasmuch as he has referred to those engaged in the manufacturing industry. The hon. member in speaking this afternoon about the wonderful strides which the agriculture implement industry had made during the past two or three years made the statement that in 1925 the profits of the Massey-Harris Company were something over $1,000,000. That, I believe, is quite correct, but he did not inform the House that whereas, under normal conditions, the company employ from four to five thousand men in Canada, to-day they are employing perhaps only fifteen hundred, although their production is larger and they make more money than formerly. The only explanation that can be given for this, in view of the tariff reduction, is the fact that in 1925 they imported on a very large scale from the United States. Instead of making agricultural implements in Toronto they got them from their factories in Batavia, New York. Last year there were brought into Canada a sufficient quantity of malleable iron castings for the agricultural implement trade to keep 150 men employed 300 days in the year. Surely that employment is worth something to Canada.

Something has been said about the amount of steel used in the manufacture of agricultural implements. It is perfectly true that not much steel is actually used in the implement, but I would remind the House that as our machinery makers have to tender with the branch factories of huge United States concerns, a protection of five per cent does not

help them to any great extent. The American branches in Canada import their machines from the United States where owing to greater facilities and better equipment the production is cheaper, so that a tariff of five per cent affords our manufacturers little or no protection.

The hon. member for Moose Jaw referred rather slightingly, I thought, to the huge deputation that waited upon the government to-day, and I inferred from his remarks that he thought they were here at the instance of the manufacturers and who were financing their visit. He spoke particularly about the McLaughlin people. Now this is quite at variance with what I was given to understand this afternoon. In conversation with a number of men from Oshawa I learned that in very many cases where the men in the factories were asked to come to Ottawa they said that they could not afford the trip, but that they would contribute their bit to the expenses of anyone who could come. A collection was taken up and contributions ranging from fifty cents to $2 were made. This does not seem to be in keeping with the suggestion of the hon. gentleman that the whole thing was financed and really initiated by the manufacturers themselves. I think the hon. member will find out, as time goes on, and when it is discovered that a vast army of workmen have been thrown out of employment in Oshawa and elsewhere, that the present budget proposal will come home strongly to the government. It is a serious thing for a man to go to work in the morning and find the door locked; he must return to his family in a very depressed state of mind. Surely it is not the function of a government to contribute to such a situation.

Mr. HOWDEN: Does the hon. member think that the manufacturers were justified in closing their doors the day after the budget was delivered?

Mr. EDWARDS (Waterloo): I am not justifying the manufacturers of motor cars, but I must point out to the hon. member that what really happened was this: the doors were closed until a readjustment could be made and the manufacturers could ascertain just where they stood. I know of one dealer who went to get cars and who was refused for the reason that the manufacturers could not fix the price, not having yet made the adjustment. Furthermore, the question of storage facilities had to be considered.

The outstanding feature of the present budget is, of course, the reduction in automobile duties, a reduction which was made regardless of the facts and, indeed, without any desire on the part of the government to ascertain those facts. It is entirely a measure of expediency submitted to under pressure from the western adjunct of the government, contrary to the pledges of the Prime Minister (Mr. Mackenzie King) to the country and also in contravention of the undertaking contained in the Speech from the Throne. I do not intend to quarrel with the amount of the reduction as such, nor do I intend to commend it. Frankly, I do not know what comment it calls for, and I am safe in saying that no hon. member in this House can tell whether or not the reduction in the tariff on automobiles can be justified. On the other hand, perhaps the government has not gone far enough in this regard; or perhaps it has gone too far. One thing is certain, however, no consideration was shown to the motor companies nor to the small stock holders interested in it, and there was an absolute disregard for the welfare of the working people in these concerns. As I understand it, those interested in the motor industry were ready and willing to put all their cards on the table. Therefore I contend that this matter should have been referred to the newly created tariff board, and the tariff lowered or raised, according to the findings of that board. If this was not a case for the tariff board, why was that board created? Surely it was created to be of service to the country, to deal with tariff questions affecting automobiles and other manufactured articles? Or was it simply intended to be a haven for derelict politicians? I would suggest that any industry which may be suspected of making unfair profits under its tariff protection should be brought before this board and investigated. If this were done, I am confident the continual howl that we hear from certain sections of the country would rapidly subside.

The industrial portions of Canada, Mr. Speaker, have been built up by a policy of protection, this policy having compelled large United States concerns to establish branch factories in the Dominion. Is this policy to be ditched now after hundreds of millions of dollars have been invested in plant and equipment and workingmen's homes? Or are we to have a sane policy that will give sufficient protection, and sufficient protection only, to all productive enterprises? In the city of Galt where I live there are five factories devoting part of their space to the manufacture of parts and accessories for motor cars. In some cases these factories have been estab-

lished by foreign capital brought in under the policy advocated by our leading statesmen. After listening to these letters hon. members will be able to decide whether or not a slight reduction in the price of Ford cars is sufficient justification for curtailing these businesses and throwing thousands of people out of employment. These communications are in reply to letters I sent out. The first is a telegram:

Letter arrived yesterday, but was off sick, so just received to-day noon. Since changes in tariff we are only operating fifty per cent, also night shift discontinued, orders cancelled.

Elliott & Whitehall,
Machine Tool Company, Limited.

The next reply is from the Dominion Tack & Nail Company Limited:

Replying to your enquiry, quite a considerable portion of our business was from automobile makers. This has been cut off, and will undoubtedly result in a loss to our plant and the release of a number of employees.

Here is another letter:

Thanks for your favour of the 20th instant. Now, with reference to the effect the recent tariff reduction will have upon our output, it is at this moment hard to say other than that it will be of a very serious nature. Taking into account the screws and parts which we make, and which go directly into automobiles, and also screws and parts for automobile accessories, which will be indirectly affected, we would say it will affect about fifty per cent of our business.

The main difficulty with this whole matter is that in an endeavour to give automobile manufacturers some redress, there will be an attempt made to further reduce parts and other raw material, which in many cases is somebody else's finished product. In other words, our finished product is the raw material for the automobile and automobile accessory industries. Were we then in turn to seek some redress, we would have to go back at the steel men, such as the Canadian and Union Drawn Steel Companies of Hamilton, which would again in turn affect them. The thing is of such a far-reaching character that if it is at all possible to do so, some supreme endeavour should be made to have this matter referred to the tariff board, which if done would enable not only the automobile manufacturers but all other lines affected would have an opportunity to place their case before them.

This letter is signed by the Galt Machine & Screw Company Limited. I have still another letter which I wish to place before the House. It is from the Galt Art Metal Co., Limited, the managing director of which writes:

I am in receipt of yours of the 20th inst., and in reply would say that the change in the duty as proposed in the budget in connection with the automobile industry, will have the disastrous effect of closing that department of our factory.

We have been doing an annual business of around $100,000 in manufacturing automobile parts for various automobile factories, and last Saturday we received instructions to stop all work. Of course we had to let all the men in that department go, some of whom, I am told, have already gone to the United States.

During the dull times, which all business has experienced. during the past few years, we looked around for something additional which we could manufacture to advantage in order to increase and help out our business. We finally succeeded, after a lot of work and expense, in getting this line going. The result of the change of tariff means that all our labour and expense has been thrown away and we are afraid to go to the expense of taking up anything else, for we cannot tell what will be hit next. Making the change at this time of the year, just when the busy season was starting, has spoiled the business for this year.

That is the story of how our industries in Galt are affected by this reduction in the tariff on automobiles.

While reading the clause in the budget referring to the tariff on automobiles, the thought came to me as to what would have been done providing even one automobile factory were located east of the Ottawa river. It seemed to me that that would have put an entirely different slant on the situation. Something apparently must be done to chide the great industrial province of Ontario. I would suggest that the government have a care, as there is always the possibility of "killing the goose that lays the golden egg." It might not be out of place for me to give a few figures as to what Ontario actually pays into the treasury compared with the contributions from the other provinces. When I state that out of the 225,000 taxpayers contributing to the treasury over 100,000 are located in Ontario, it will give hon. members some idea of what that means in Dominion revenue. Quebec comes second with over 43,000. Following this line I am going to quote from a paper that by the wildest stretch of the imagination cannot be considered to be favourable to the Conservative party—the Toronto Star Weekly. The feature article of last Saturday's issue was on taxation. Before quoting a few extracts from that article, I might state that Ontario's 100,000 taxpayers pay $11,000,000 into the treasury, while Quebec's 43,000 pays $8,000,000, so their contributions are not so very wide apart. It may be suggested that the total for Quebec is accounted for to some extent by the enormous number of big incomes enjoyed by people in the city of Montreal. But that is not the fact. Last year Quebec and Ontario had exactly the same number of people, 355, enjoying incomes of over $30,000 a year. These 355 wealthy men in each province paid in taxes in Ontario $4,122,088, and in Quebec $4,034,776. Of incomes between $20,000 and $30,000 Quebec had 282 and Ontario 480. Let us see how they contribute, taking each province of Canada. In Ontario there are 99,597 taxpayers, paying $11,370,769; Quebec has 43,646 taxpayers, paying $8,352,203; Manitoba, 19,870 taxpayers paying $1,684,154; British Columbia, 19,630 taxpayers paying $1,468,565; Alberta, 14,641 taxpayers paying

$730,510; Saskatchewan, the province we hear so much about, has 14,200 taxpayers paying $615,842; Nova Scotia, 7,134 taxpayers paying $446,085; New Brunswick, 5,743 taxpayers paying $415,126; Prince Edward Island, 479 taxpayers paying $26,914.

Included in this total of 225,000 taxpayers there are 3,061 farmers, who pay into our treasury $162,944 in income. I think hon. members will see that perhaps it is not the wisest thing in the interests of the country to destroy the profitable enterprises of Ontario and Quebec. It will be seen that the unfair position into which the province of Ontario is being forced will have a tendency to react adversely upon the country generally, a result which will not be in the best interests of Canada.

With reference to the income tax, I regret to note that the dividends received from corporations which are not now included in income returns, become taxable. These dividends are already taxed by the municipalities, and the proposal to tax them further will work a hardship on many people depending on income from these sources of revenue for their maintenance. As explained by the hon. member for Fort William (Mr. Manion) in his speech on Tuesday last, the widow with an income of $5,000 made up of dividends will now have to pay a tax; under the old ruling she was exempt. She will also have to pay a tax to the municipality in which she resides. The reduction in sales tax, the return to penny postage and the abolition of the receipt tax are very welcome, and very long deferred.

During the speech of the hon. member for North Oxford (Mr. Sutherland) he quoted from speeches made at the Canadian National exhibition last year, and also from speeches made during the annual meeting of the Canadian Manufacturers' Association at Hamilton. One of his quotations was from the speech of Mr. Fortier, of the city of Quebec. I happen to know Mr. Fortier very well personally, and any person who knows him—

Mr. SEGUIN: He is a Tory.

Mr. EDWARDS (Waterloo): He is now, but he was not before the last election. Mr. Fortier is a man respected by everyone who knows him, both in Quebec and in Ontario, where we know him very well and where we see a great deal of him. Mr. Fortier spoke at the Canadian National exhibition, and said:

"This brings us to the tariff question, a much discussed and misunderstood one in too many parts of this country. In the United States the people of all occupations are so keen on custom duties and tariff protection that they have convinced the two political parties which alternately govern that country. Public opinion has been educated to that problem with such success that the American people are highly protectionist.

Theoretically, I am not inclined myself to favour too much tariff protection, but practically, it seems to me that Canada cannot afford not to be protectionist, if the Canadian nation wants to live in comfort and freedom on the American continent. Even for those who incline to free trade, it seems to me that the commercial policy of our neighbours makes it obligatory for us to use the same tactics"

At a meeting some time earlier, Mr. T. H. Watson, chairman of the tariff committee of the Canadian Manufacturers' Association, made these remarks regarding the attacks on industry which have become such a favourite pastime among people in certain sections of this country. He stated that every other country in the world appreciated the men or group of men who had the courage to invest their money in manufacturing. Continuing, he said:

"I sometimes think it would be wise for Canada to follow England's example and have the government guarantee the bonds of industries. If that were the case the government would be more likely to take more interest in our welfare.

Canadian manufacturers are not only struggling with inadequate protection but are harassed with taxation of various kinds. Protection to cover the actual difference in the cost of production in Canada, as compared with competing countries where low wages and inferior living conditions prevail, is absolutely essential, and to tell this fact to the electorate is the duty of every member of this association."

I would like to give a little illustration of how it works out when you come up against the American tariff. During the last election I heard on one or two occasions about an industry in Stratford which was exporting goods to Philadelphia. It was a rattan factory, which had received an order from the Wanamaker people in Philadelphia. They shipped one lot of goods through Port Huron; they received another order, and when it went through it was questioned. The third order was absolutely stopped—the tariff board of the United States functions for a definite purpose. I wrote to the manager of that factory asking if this was true, and he replied that it was. They did not consider it a very great hardship, but they complained of competition of Chinese labour, which is paid five cents and ten cents a day as against the labour of our Canadian workmen and our standards of living. I ask hon. members on the other side if that is a fair position in which to place industry in Canada.

I would like to say a word or two in regard to the British preference, and at the outset I might remark that my attitude on this subject

is Canada first. Britain should come next, but whether it be Germany or whether it be Britain I do not care; if it interferes with our Canadian workmen, if it depreciates the value of our products, if it puts people out of employment, I am absolutely opposed to it. On this question I would like to take up three lines of business. I represent a riding which is highly industrialized, and first I would like to take up the iron trade. I know something of that business, in which I happen to be engaged, and I think the case is stated very clearly in an article in the Labour Leader of July 31, 1925, which I would like to read. This sets out in great detail the situation as regards the small hardware trade—by that I mean locks, and so forth:

"Canada, and Ontario in particular, pays a big price for the British preferential tariff. Fielding's last cut was "the straw that broke the camel's back" for many iron moulders and machinists that were formerly employed in the manufacturing plants of this Dominion.

In the production of builders' hardware, iron moulders, brass moulders and machinists are the three classes of skilled labour that predominate, and it is needless to add that these men are among the best paid in industrial establishments.

Factories that manufacture builders' hardware often make from 1,500 to 2,000 different varieties."

That will give hon. members some idea of the variety and large number of small articles manufactured in comparatively small quantities, as against mass production. It goes on to cite:

"In Ontario, firms like the Belleville Hardware and Lock Manufacturing Co., Limited; Taylor-Forbes Company, Limited, of Guelph; Peterborough Lock Manufacturing Company, Limited; Canada Foundries and Forgings, Limited, of Brockville, and many others, give employment annually to thousands of skilled mechanics and make hundreds of articles that are used in building construction.

These firms, to whom our mechanics look to for employment, under the British preferential tariff have a handicap that is most unfair, because the handicap was placed on them by our own government. The handicap not only burdens the firms mentioned, but places a burden on Ontario mechanics that is unbearable—unemployment.

Since the year 1920, all of these Canadian firms that manufacture builders' hardware have had their output reduced by not less than 30 per cent, owing to the unfair handicap placed on them by the famous Fielding preferential tariff. This 30 per cent reduction in output naturally reduced the number of employees that formerly found work in these plants.

Wages is the chief cause of the handicap. Moulders and machinists employed in these factories in Canada receive from $30 to $40 per week, according to the class of work they are on and the skill they must possess, while in England, similar men receive $14.50 to $16 per week for the same class of labour and the same hours."

That, Mr. Speaker, is what the Canadian workman is up against.

The next industry that I want to go into pretty thoroughly is the textile business. When I inform hon. gentlemen of the House that within the riding of South Waterloo we have employed in the textile business about 3,500 people—I do not mean including dependents, but those actually engaged in the industry—they will see that anything that interferes with the industry is of serious importance.

9 p.m.

When Sir Wilfrid Laurier came into power in 1896 he found the duties on woollen and worsted cloths as arranged by his predecessors, the Conservative party, to be 30 per cent, as will be seen by the customs items in the 1894 tariff. When Sir Wilfrid Laurier went out of power in 1911, the duties on woollen and worsted cloth were again 30 per cent, but the experiment in lowering the duties between the dates mentioned proved so serious to the woollen industry of Canada that one would think the lessons of the experiment would not have been so soon forgotten. Nevertheless it is a fact that within very recent years the experiment has been foolishly repeated, and again the results have been most serious, as might have been anticipated.

Reverting to the first experiment, Sir Wilfrid Laurier had gone into power in 1896 upon the promise of adopting a free trade policy for Canada, just as the right hon. Prime Minister (Mr. Mackenzie King) did five years ago. No one, perhaps, has a right to question the sincerity of Sir Wilfrid Laurier in his appeal to the electorate on the free trade issue, but with the lessons of Sir Wilfrid's experiment with free trade clearly in sight, it would seem a matter of considerable doubt whether the same sincerity and integrity of purpose characterized the appeal of the Liberal party when going to the country in 1921 on a similar policy of free trade.

By the year 1900 the reductions made in the woollen cloth tariff schedule by Sir Wilfrid Laurier's government did not affect the general tariff, but made the preferential schedule on woollen and worsted cloth coming from Great Britain 23⅓ per cent instead of the previous prevailing 30 per cent. This reduction in duty from 30 to 23⅓ per cent could make only an actual difference in cost on a whole suit of high quality woollen tweed or worsted cloth coming from England of less than 35 cents in the wholesale price. The actual difference per yard on a pure worsted heavy weight suiting such as was produced in an outstanding worsted mill in Waterloo county amounted to 6¼ cents; I am here speaking of a fine quality cloth. It is plainly to be seen from this that to the purchaser in

Canada of woollen cloths at that time there was practically no saving, and it would not be unfair to say that the consumer here in Canada had no benefit whatever from this trifling reduction. But what was the sacrifice of the industry in Canada which was caused by this experiment? Let it not be overlooked that a difference of even one or two cents per yard in the price of an article turns the business from one channel to another, and it is no exaggeration to say that in many lines of staple high quality woollen and worsted cloths for men's suitings produced in Canada the margin to the manufacturer over actual costs is frequently less than this difference in the duty shown in the above example.

By the year 1904 two large woollen mills in Waterloo county were sacrificed. Both these mills had been very successful, and were steadily enlarging and employing more people, in fact, were operating day and night. I refer to the woollen mills in the town of Waterloo, and a still larger industry in the town of Hespeler; but these are only two out of a total of 88 woollen mills closed down as a result of the attempt to reduce tariff duties on the imported products which competed with the products of the Canadian mills. A booklet issued by the Trade and Commerce department of the Mackenzie King government in 1922, in reviewing, at pages 4 and 5, the history of the woollen industry of Canada, states that a total of 129 woollen cards and 559 woollen looms went completely out of operation as a result of this first experiment with lowering the tariff.

Sir Wilfrid Laurier, with the co-operation of his finance minister, did what any sensible group of men would have done under the circumstances—raised the duty again in 1904 to 30 per cent on cloth from England, and raised the general tariff on similar goods from other countries to 35 per cent, with the result that the industry once more got upon its feet, but of the 88 woollen mills which were destroyed by the experiment scarcely any were revived. The two large mills previously mentioned in Waterloo county were never reopened. One can readily picture the consternation and hardship which was wrought upon thousands of woollen mill employees in Canada by this unfortunate experiment, and not only among the employees and their families but among many others whose prosperity depended on the activity of those engaged in the woollen industry. The value of farm property within miles of these closed mills was affected, and it became almost impossible to dispose of farm lands which previous to the blasting effect of this unwise experiment had been valuable farms.

It is not a venturesome statement to make that if it were not for the experimenting with lower tariffs of the period referred to and the repeated attempts to reduce the tariff on woollen goods in recent years, many manufacturing centres throughout Canada would be to-day in a condition of vastly greater prosperity, to the benefit not only of the immediate industrial communities, but also the benefit of the farming communities surrounding them.

This brings us to the last series of experiments with the tariff on woollens. The government of the right hon. Prime Minister (Mr. Mackenzie King) had obtained power, but not sufficient power properly to govern, on the promise in some sections of free trade, where that policy was acceptable; but in the industrial centres the promise that no industry would be detrimentally affected secured them certain support. There is no doubt in the minds of most observers that further experiments in free trade were as distasteful to the Liberal party as to the Conservatives, but with the life of the Liberal party depending as it did upon another element in parliament, it was forced to make a showing of bringing into effect promises of tariff reductions, which were in fact simply repetitions of the disastrous experiment of the Laurier government.

When those in the woollen industry heard of the contemplated lowering of duties on woollen goods, deputations at once waited upon the government to oppose the repetition of this harmful policy. When representations were made to ministers of the government showing that a vastly higher scale of wages was paid in Canada than in England for the same sort of work, and showing the high cost of fuel required by the industry in this country, including freight on a 500 mile haul compared with only a few miles of haulage in England, and showing other items in which Canadian costs were higher on account of our Canadian standard of living, and so forth—all of which raises the manufacturing costs in this country, and renders it absolutely necessary that the industry should have the small amount of protection which it had enjoyed in order to exist in Canada—the very sympathetic reply made by the finance minister of the day to representations presented by the deputations was "that if the woollen manufacturers could not produce goods as cheaply in Canada as they could in England why did they persist in trying to manufacture and why did they not resort to planting potatoes?" In the face of what the former Minister of Finance (Mr. Fielding) must have

known from his previous experience, and the fact that he had sent a qualified investigator to England to ascertain the difference in the cost of manufacturing in the two countries, and, upon the reports of his own appointed expert had in the former instance restored the 30 per cent tariff on woollen cloth as an actual necessity to the woollen manufacturers of Canada, it is hard to understand the attitude displayed in the more recent circumstance. The only explanation must be that being harassed by misguided advocates of free trade upon whom the government absolutely depended for existence, he ventured to treat with contempt the smaller group which, while it represented a large industry in Canada, lacked the voting power of the free trade group. In the heat of the situation it would have been useless to tell the Minister of Finance from the Maritime provinces that it had been commonly reported that carloads of good Nova Scotia potatoes had been thrown into the Atlantic in order that the potato market might not absolutely collapse.

The details of the recent experiment are as follows: in June, 1922, a small cut was made in the woollen tariff; then in May, 1923, a further cut was made reducing the duty on British cloth to 24¾ per cent. In the same year, in September, a preference was also given France, so that the duty on French goods of certain makes was approximately as low as the preferential rate against England. The result is quite apparent. French woollen goods coming into Canada in the year ending March, 1922, amounted to $699,838. In the year ending March, 1923, the value was $1,020,122. In the year ending March, 1924, this had increased to $2,060,935 and in the year ending March, 1925, it had still further increased to $3,284,976. Meantime the imports from England of woollen and worsted cloth were also increasing. In the calandar year 1921, before the reduction in duty, the yardage imported from England was 13,095,400 square yards. In 1922, the first year of the change in duty, the yardage was 27,014,500 square yards. In the calendar year 1923 it had further increased to 28,834,700 square yards, and in the calendar year 1924 the yardage had still further increased to 30,154,200 square yards. These figures do not include blankets, furniture stuffs, flannels, carpets, hosiery, underwear, fancy knitted goods, and so forth. Let it be observed that these tremendous imports of woollen cloth, exceeding thirty million square yards from England alone, in one year, represents more than one suit of clothes for every individual in Canada. What can there be left for the Canadian mills to provide, and what other than the actual result which followed this repeated disastrous experiment could have been anticipated? Over fifty mills have closed up in the last few years—not all of them large mills, but many of them extensive mills and many of them practically the sole foundation of prosperity in the communities in which they were located.

The village of Rockwood in Ontario is only one of a large number of illustrations of the ruination brought to a thriving community by the senseless policy of vacillation which has meant the destruction of promising industry throughout Canada. The closing of the mills in Amherst, Chatham, Perth, Appleton, Lanark and elsewhere are only a few added illustrations of this shortsighted policy. In Kingsville, Ontario, may be seen the ruins of a mill, which, having been burnt three or four years ago, has not been rebuilt, for the very reason that the proprietors saw no prospect of getting a return on money reinvested in such an industry.

A few mills in Canada, it is true, have been able to survive, but how few of them are there which can show a balance sheet which indicates prosperity. How many of them on the contrary are there which are showing gradually diminishing assets and evidences of collapse? What is the effect of this on the large number of our citizens who have investments in these industries and also upon the hosts of others whose prosperity depends on the prosperity of such industries—merchants, agriculturists, and so on?

A quotation from a statement of the manager of the Standard Soap Company of Toronto briefly sums up the effect of inactivity in such an industry as woollen manufacturing in Canada:

> "It is not generally realized that prosperity in the woollen and knitting industry is immediately reflected in increased employment in the subsidiary industries producing soaps, paper boxes, oils, belting, electrical machinery and so forth. For example, this industry is the best customer of electrical machinery outside of government development schemes. On the other hand, depression in the industry causes lack of employment in the subsidiary industries and reduces the tonnage carried by our railways.
>
> Woollen mills take in on the average ten tons of raw material freight, including coal, for every ton of finished goods they put out. The great importance of this industry to subsidiary industries in Canada and the Canadian railways is therefore obvious.
>
> By comparing lists of customers of subsidiary manufacturers and supply houses it is found that 52 woollen and knitting mills are no longer buying because they have either closed down or gone out of business in the last three years. In addition to this there are many mills working part time. The condition in the industry affects thousands of employees who are not shown as being directly employed in the mills."

These statistics given above re French and British imports are taken from Canadian Trade and Commerce reports, and Bradford Board of Trade reports.

The building up and safeguarding of the woollen and knitting industry would therefore not only affect the actual workers engaged in the mills, and the workers engaged in the subsidiary industries, and the retailers and professional men and women supported by the workers, but also would affect our railway problem and the prosperity of the nation as a whole.

I would like to make a comparison of the weekly wages paid in Yorkshire with the weekly wages paid in Canada, in order to give some idea of the difficulties with which the woollen industry in this country has to contend. I had the privilege a few weeks ago of going into a mill employing some 800 odd hands and of checking these figures thoroughly, of going through the industry and checking their pay sheets. I will give the weekly wages in Yorkshire, including costs of living bonus, as shown by the Minister of Labour as at the end of 1924, exchange value computed at the same date. I will give the weekly wages in Canada as averaged from figures supplied by Canadian mills and compared as to hours of labour and sex of worker. The figures are as follows:

	Yorkshire	Canada
Winders	$5 92	$13-$15
Twisters	6 34	13- 15
Spinners	5 77	13- 15
Reelers	6 52	17- 20
Doffers	5 22	13- 15
Overlookers	17 03	35- 60
Warehousemen	12 06	19- 22
Blenders, carbonizers, labourers	12 06	18- 20
Mail help in grey rooms; stock room, packing department	12 30	19- 22
Firemen	13 89	30.00

It is only fair to say that these wages were compared as at the end of 1924. Since that time there has been a reduction of ten per cent in wages paid to Canadian workers. Wages in Canada are not too high; it is the wages abroad that are too low. There is frequently a confusion of mind over the effect of money wages paid in different countries on competitive prices for selling goods and the purchasing power of the wages. The money wages paid for labour at the exchange value give the true basis of comparison in order to show the advantage gained by United Kingdom manufacturers over Canadian manufacturers when selling goods in Canada. What the wages paid to the operatives will buy in the respective countries has nothing to do with the selling price of the goods; it relates only to the standard of living of the operatives. The average wages in gold paid to skilled textile workers in Germany is 11 cents per hour, or $5.72 for a 52 hour week.

Let me now give the House in detail the effect of this competition on the home market as regards imports into this country. These figures allow complete comparisons for the calendar years 1921 to 1925 both inclusive. If the House will permit me, I will hand the figures to Hansard. They are as follows:

Imports into Canada

(From Monthly Trade of Canada)

These figures show that the too heavy imports in the calendar year 1921, have been tremendously exceeded in all succeeding years.

The total imports of manufactured woollen and knit goods for these five years reached the tremendous total of $187,535,772.

It will be noted that there are slight reductions in the yardages of cloth imported in 1925 as compared with 1924, but this did not mean that Canadian mills got more business in 1925 than in 1924; in fact, they got even less. Owing to the decrease in the total purchases in Canada, due to general industrial depression and loss of population, the total market was greatly reduced, and consequently the import figures show that mills abroad actually obtained a greater share of the Canadian market than ever before.

Calendar Years	1921	1922	1923	1924	1925
Cloth	$ 18,154,459	$ 22,287,466	$ 23,688,991	$ 25,030,674	$ 23,830,884
Carpets and rugs	1,453,956	1,677,953	1,732,055	1,732,150	1,924,681
Knitted goods	4,194,100	6,957,370	8,039,228	6,858,974	7,273,139
Yarns	2,205,280	4,112,356	4,048,965	3,616,323	3,788,010
Made-up	2,793,269	2,684,406	2,903,087	2,406,603	2,509,613
Pressed felts	392,948	388,671	288,582	269,753	291,826
Totals	$ 29,194,012	$ 38,108,222	$ 40,700,908	$ 39,914,477	$ 39,618,153

Imports in yards, pounds or pairs

Woven Goods	1921	1922	1923	1924	1925
Tweeds, in yds	1,579,315	$ 2,777,406	$ 4,630,529	$ 3,626,529	$ 3,201,819
Overcoatings, in yds	48,457	135,726	302,660	328,947	252,788
Flannels, plain, in yds	479,337	976,784	1,499,246	1,018,095	770,779
Worsteds & serges, in yds	5,002,582	7,597,800	6,942,844	10,290,990	9,201,298
Lustres, mohairs, alpaca, yds	1,558,623	2,603,707	2,145,261	2,083,038	1,837,324
W. & C's dress goods, sq. yds	3,239,397	5,512,419	4,938,361	8,075,539	5,531,513
Blankets, in pairs	43,187	60,471	140,203	159,655	127,174
and in addition and not shown in yardage, the following woven goods.	$ 4,189,708	$ 5,009,740	$ 5,330,025	$ 5,047,774	$ 5,215,651
Knitted goods					
Socks and stockings, of wool, prs	2,920,464	7,460,556	8,240,592	6,077,340	6,585,600
Socks and stockings, of silk, pairs	275,220	469,968	481,992	587,052	778,322
Socks and stockings, cotton, pairs	3,990,880	6,464,496	6,540,624	5,204,938	5,913,936
And in addition the following knitted goods which are not shown in garments:—	$ 2,039,317	$ 2,989,313	$ 3,573,915	$ 3,093,319	$ 3,218,350
Yarns					
Woollen and worsted, nop... lbs	213,493	389,880	310,584	231,409	192,133
30c. per lb. or over, lbs	1,584,604	2,862,259	2,895,480	2,649,992	2,452,113
and in addition the following yarns which are not shown in lbs.:—	$ 60,998	$ 85,417	$ 169,700	$ 137,290	$ 191,693
Felt pressed					
All kinds, lbs	628,150	707,719	419,477	437,609	425,888

Piece goods manufactured from wool exported from Great Britain to Canada and from Great Britain to United States

	January 1925	January 1926	February 1926
To Canada:	sq. yds.	sq. yds.	sq. yds.
Worsted cloths	1,143,000	1,413,000	1,278,000
Woollen cloths	960,000	1,167,000	1,139,000
To United States:			
Worsted cloths	563,000	713,000	440,000
Woollen cloths	872,000	1,095,000	773,000

Hon. members can see quite readily the great disparity notwithstanding the huge population of the United States as compared with ours.

I have just a little I should like to say about the shoe business, which has been mentioned so often. Upwards of 2,000 people are engaged in the shoe business in my riding. These statistics are gathered by the Shoe and Leather Journal of Toronto and other sources.

As a result of the reduction in the tariff on boots and shoes under the British preferential schedule, the duty on leather and felt footwear from the United Kingdom is now only 15¾ per cent—17½ per cent, less a rebate of one-tenth of the duty on direct shipments. This is the lowest rate since 1874. The above refers to tariff item 611a, which applies to most importations, small quantities of work boots enter under a British preferential tariff rate of 15 per cent tariff item 611.

The Canadian customs regulations permit British manufacturers to sell to customers in Canada at prices lower than their prices in their own home market to the extent of 5 per cent, before the Canadian anti-dumping clause is applied. In some cases at least, British firms have taken advantage of this provision, with the result that the protection to the Canadian factories is reduced to only 10¾ per cent.

British trade commissioners in Canada are actively engaged in helping the representatives of British shoe manufacturers, even to the extent of making appointments with leading retailers.

In the calendar year 1925, boots and shoes from the United Kingdom, exclusive of rubber footwear, were imported into Canada to the value of $1,132,850. The value of English footwear imported into Canada in 1922 was only $456,073. The number of pairs imported

in 1925 was 805,201, as compared with 652,925 in 1924 and 341,814 in 1923.

While there has been some falling off during recent months in importations of certain classes of British footwear, the Canadian factories making high-grade shoes for men and the felt footwear factories in Canada still are suffering severely from the competition of British footwear, imported under the low rates of the British preferential schedule. The Canadian business, which is lost to the Canadian shoe factories as a result of the British preference in turn means a loss of business to many other industries supplying materials to the shoe manufacturers and a reduction in the earnings and purchasing power of the shoe workers in Canada.

The total value of Canadian shoe business is limited and there is no way in which the Canadian factories can make up for the business which is now going abroad unnecessarily. South Africa has withdrawn its preference to Canadian footwear and, as practically every country in the world has a well developed footwear industry of its own, it has been found impossible for the Canadian shoe factories to develop any considerable export trade.

Export of Canadian footwear have fallen from $5,679,720 in the fiscal year 1919-20 to $285,634 for the twelve months ended February, 1926.

Canada's total production of machine-made boots and shoes—leather and felt—last year was approximately 15,500,000 pairs or about 1,500,000 pairs less than in 1912 and 4,500,000 less than in 1916.

If the shoe business now going abroad unnecessarily were retained in Canada the Canadian factories could handle it without any increase in plant or equipment and would be able to operate more efficiently and more economically by reason of the larger volume.

The keen competition amongst the shoe factories in Canada ensures that the manufacturers' selling prices at all times will be exceedingly close to production costs in the most efficient factory and that any economy resulting from increased production will be passed on to the public in the form of lower prices. The Canadian shoe manufacturers require additional protection against importations of English footwear, not in order that they may charge higher prices, but that they may enlarge their volume of production.

More than 100 shoe manufacturing firms in Canada have failed or obtained compromises or extensions since 1920. While many causes have contributed to this heavy mortality, the principal cause has been that there has not been enough business available for all. This situation has been made worse by the British preference, which has permitted British shoe manufacturing firms to cut into the Canadian business and take out of the country orders which have been much needed by the factories here.

The wages paid by the shoe manufacturers in England are much lower than those paid in Canada, machinery costs in England also are lower, and the British manufacturers have important advantages in respect of cheap water freights to the Pacific coast via the Panama canal. The British manufacturers get all their equipment, materials, supplies, etc., duty free, while some of the equipment, materials, supplies, etc., required by the Canadian shoe manufacturers have to be imported, mostly from the United States, and are dutiable at rates ranging up to 30 per cent. These items still further offset the very meagre duty on boots and shoes imported into Canada under the British preferential schedule.

I come now to a consideration of the rates of customs duty on boots and shoes from the United Kingdom imported into the British dominions. New Zealand charges an import duty on British boots and shoes of 25 per cent of the value for duty, which comprises the invoice value plus ten per cent for freight and insurance, and a primage duty of one per cent. This represents a total ad valorem import duty of 28⅜ per cent. New Zealand also requires that for British shoes to enter under this rate, which is lower than the general tariff, the proportion of British materials and British labour must not be less than 50 per cent. Australia charges an import duty on British boots and shoes of 35 per cent of the value for duty, which comprises the invoice value plus 10 per cent for freight and insurance. This represents a total import duty of 38½ per cent. English shoes will not be admitted to Australia, under the above preferential tariff rate, unless the proportion of British materials and British labour is not less than 75 per cent. Newfoundland gives no tariff preference to British boots and shoes, but charges a duty of 40 per cent, plus a surtax of 5 per cent on invoice cost, freight and duty. This represents a total import duty of more than 45 per cent. South Africa gives no tariff preference now to British boots and shoes, but charges on most classes of British footwear an import duty of 30 per cent. Canada admits British boots and shoes under a British preferential tariff rate of 17½ per cent, less a rebate of one-tenth of the duty on all direct importations, which rebate reduces the import duty to only 15¾ per cent.

Under the present British preference, goods manufactured in countries with depreciated currencies are imported into Canada as British goods at the expense of British and Canadian labour. This is altogether absurd, unsound, anti-national and un-British, and it is a condition which ought to be removed without further delay. So much for the boot and shoe business.

Now I come to the Canadian National Railways. The country during the year which has just passed was abundantly blessed by Providence with a splendid crop, not alone in the western country, but also in eastern Canada, and as a national result our financial position is considerably improved. This in turn is reflected in the statement of the Canadian National Railways, a report which I am certain will be received with a great deal of enthusiasm throughout the country. In our National railway system we are experimenting with the greatest public ownership scheme ever attempted; and upon the handling of this vast enterprise, upon the fairness shown the management, upon the total absence of governmental and other interference, coupled, of course, with capable management, the success or failure of the enterprise depends.

We in Ontario know something of that great municipally owned enterprise, the hydro-electric, but we are also well aware of the fact that the success of that great undertaking was accomplished by the indomitable perseverance of the founders, coupled with the outstanding ability of its management and the determination at all times to keep it clear of politics and all outside interference. It may interest the House to know that the birthplace of the great hydro-electric enterprise was in the good county of Waterloo, which I have the honour to represent in this House jointly with my good friend the hon. member for North Waterloo (Mr. Euler). The birthplace of that great Canadian through whose efforts much of the success of the enterprise was accomplished is also in my riding, the village of Baden in South Waterloo. I refer, of course, to the late Sir Adam Beck.

The people in all parts of the country from coast to coast are watching with a great deal of anxiety, and I may say with no little uncertainty, the efforts of the management to make the National railways a real asset to the Dominion of Canada, and if there is one point in this connection which I wish to emphasize more than another it is that no handicaps be placed on this great undertaking, that it should be given a square deal, and that no outside interference should be tolerated.

We listened recently in the House to a presentation of what appeared to be a very serious condition of affairs in the province of Nova Scotia, particularly in the Cape Breton section of that province. The Minister of the Interior (Mr. Stewart) and his government should be congratulated on assisting to relieve the situation in at least a temporary way.

This brings me to the coal situation in general, upon which I wish to say a few words in the hope that whoever has the framing of a policy with regard to this great question will approach it in a broad way, having in mind a policy that will be of real service to the entire Dominion. Too long we have confessed a dependency upon the United States for our fuel supply. Owing to constantly recurring strikes there, the prospect is that in the no great distant future—as time is counted in the life of a nation—we shall be faced, as in fact we are faced at the present time, with the necessity of framing legislation that will adjust this great question. In this connection may I assure the hon. Minister of Marine (Mr. Cardin) that I am in accord with the sentiments expressed by him in the House recently, when he stated that owing to geographical difficulties some concession would have to be made by the provinces of Ontario and Quebec in order that difficulties that now appear great indeed may be surmounted.

Between the western province of Alberta and the eastern province of Nova Scotia, coal sufficient to supply the necessities of all Canada for hundreds of years can be obtained, and we shall be recreant to our duty if we allow minor difficulties to stand in the way of the development of our great coal areas. The opportunity in this regard cannot be overestimated, and when we consider the fact that we are at present purchasing from the United States yearly over one hundred million dollars' worth of coal, sending the money to a foreign country, assisting to keep a foreign population employed, to the detriment of our Canadian citizens, it seems to me that this is one of the most pressing problems before the House to-day. In fact I am at a loss to understand—perhaps some hon. member can enlighten me—the reason or reasons why this question was not settled long ago. If we in the central provinces stop for a minute to consider what the immense purchasing power of the hundred millions spent east and west would mean to the industrial sections, surely our united interests lie in this direction. Great purchasing power, coal moving from the west

and from the east, giving greater business to our railways, and carrying the manufactured goods from central Canada to these coal producing provinces, would very materially assist in relieving our transportation difficulties. If it is necessary to increase the duty slightly on this commodity, I trust the Minister of the Interior will not stick literally to his "death knell of protection" utterances.

In the constituency of South Waterloo, which I have the honour to represent in this House, we have the happy combination of the agriculture and industrial, a most striking example of what a home market really means. When I tell you that about 95 per cent of the products of the farms of Waterloo county are consumed in that county, some idea can be had of what it means to have the industrial section of the community fully employed. During the past four years this unfortunately has not been the case, and many hundreds of our finest mechanics and young men graduating from our schools and workshops have been forced to go to the United States to secure employment. They do not want to go, neither do they want to become United States citizens. They are all loyal Canadians desirous of living their lives under the Union Jack, but they are forced to migrate in order that they may obtain employment. But just so long as we pursue a policy of exporting our raw materials either wholly or partly unmanufactured, and giving insufficient protection to our productive enterprises to enable them to produce their goods in competition with mass production in the United States, low wages in mid-European countries, and depreciated foreign currencies, just so long will this condition of affairs exist.

Earlier in the session the senior member for Ottawa (Mr. McClenaghan) referred at some length to the great business done by the mail order houses of the Dominion. I was greatly interested in the case which he so ably put forward as it applied to our retail merchants, and he convinced me that the mail order house competition is most unfair. The countries of the world are scoured by the purchasing agents of these concerns. To have the products of foreign sweatshops and child labour distributed in this country, largely through these mail order houses, is bad enough; but when we consider that the ordinary retailer throughout the Dominion is forced to pay a stiff tax in his community, while these great octopuses are practically free of this tax, it will be seen that he suffers from a handicap that is very serious indeed. As a result, the small rural village is rapidly disappearing, which is to be regretted, as these centres have assisted in no small degree to make rural life more desirable. In fact, Sir, I think I would be justified in saying that one of the chief causes of the trek from the farms to the bright lights of the cities and towns is largely due to the gradual wiping out of these small centres. This condition of affairs, I submit, is largely due to the inroads of the mail order competition under the unfair circumstances I have related. I hope the senior member for Ottawa will introduce legislation that will give us an opportunity of investigating the matter further this session.

With reference to the immigration problem, I quite realize that in order to do more business we have to have more people. I am in hearty accord with an immigration policy that will bring in selected immigrants to increase production by the cultivation of the vast untilled lands not only of our western prairies, but also of hundreds of thousands of idle acres in the other provinces. But care should be taken not to bring in industrial workers until such time as our industries are fully employed and our citizens—who through the paralyzing policy of the government during the past four years have been compelled to leave their native country to secure employment in the great republic to the south—have been permitted to return to their homes.

I wish to thank you, Mr. Speaker, and the members of the House for the very patient hearing which has been accorded me.

Mr. ARTHUR BETTEZ (Three Rivers-St. Maurice) (Translation): Mr. Speaker, as a new member in this House, I think I would not be fulfilling my duty, should I not mingle my voice with those who have preceded and will follow me in this debate, so as to appreciate to the best of my ability the budget which our Minister of Finance (Mr. Robb) has just brought down. Rest assured, Sir, that it is not without a certain apprehension that I rise to discuss, in the most moderate way possible this budget, being content with emphasizing the important points and leaving to hon. gentlemen better qualified than myself the task of scrutinizing them more carefully. This budget, I state without fear, has been received by all classes of society with the greatest satisfaction, and has very much alarmed many of our opponents who never expected such important reductions. I am aware that, as in all wordly matters, some details which are not perfect may be found; however, as perfection does not inhabit this world, there can be no reason to worry, for we are free to fill the wants in the next budget, knowing that the Liberal party dislikes to leave a task unfinished.

I wish to point out a few of the many reforms carried out. First, there is the total disappearance of the receipt stamp, a rather annoying and expensive formality to our business men. Secondly, there is the reduction from three to two cents on postage stamps, a measure which will be a blessing to everybody on and after July 1. Thirdly, the wiping out, I might say, for the small wage earner, of the income tax and in a reasonable proportion a tax decrease for others, a measure which I advocated in my first speech in this House on February 1, last; a measure which will give to the wage earners more comfort and will help them to provide for the dull days of old age, and, it will leave to others a larger portion of their profits to apply to the development of their trade. Finally we come to this most discussed question of the reduction of customs duty on automobiles, a duty which has been lowered from 35 to 20 per cent on automobiles of less than $1,200, and from 35 to 27½ per cent on automobiles of luxury, from $1,200 up.

Mr. Speaker, I believe that under the circumstances, all conscientious manufacturers who do not want to make political capital with this question, will be more than compensated of this decrease in the tariff by the reduction of 25 per cent on all parts imported which enter into the manufacture of automobiles, providing that 50 per cent of said parts is manufactured in Canada. Is that not an incentive afforded to our Canadian manufacturers to the detriment of foreign manufacturers? Is that not, I ask you, a truly national measure which will be beneficial to the Canadian workman who has as much need of protection as the foreign workman? A manufacturer who cannot carry on with a tariff in his favour of 20 to 27½ per cent, moreover, with the appreciable margin which gives him the freight charges over his foreign competitor, is of very little use to his fellow countrymen.

Do you think, Sir, that we must everlastingly provide such a high rate of protection to that industry which, it is true, employs a great number of people, though, in much smaller numbers, after all, than the citizens which it exploits by means of such a high tariff?

As a mere suggestion, and as a way out, may I point out the desirability of reducing for this year the tariff on motor trucks only, with the understanding that the reductions mentioned in the budget will but take effect next January 1, on the other automobiles, in order that we may not be taxed with having taken these industries by surprise, and also in order to allow time for those who have large stocks of automobiles on hand to sell them without too great a loss.

As to the tax on dividends, is it not more equitable to impose a tax on those who are in receipt of dividends than on those who have but their daily wages and have no other revenue bearing assets? The policy of our opponents has always been that of favouring solely the large interests to the detriment of the small wage earners and those deprived of wealth. They would prefer, as the hon. member for Vancouver-Burrard (Mr. Clark) stated yesterday, to see the tax paid by a widow possessing absolutely nothing than by a widow drawing dividends. How logical!

One thing which will always reflect shame on the Conservative party, and that the public will not forget for a long time to come, is the exemption from taxation which they granted on the victory bonds, most of which were purchased by friends, war profiteers, of the Conservative government of that day, when it is these same people who should have paid the bill instead of the small industries and wage earners. If the Conservatives had not acted in this manner, the member for Vancouver-Burrard (Mr. Clark) would not have had to deplore, yesterday, the fate of the widows forced to pay a tax on their dividends.

As I am neither a free trader nor an extreme protectionist like our Conservative friends, but rather a moderate protectionist wishing to give fair play to the consumer and the honest manufacturer, I want, on behalf of my county, to congratulate the government on the appointment of a tariff commission which I feel sure, will be able to give us a just and well considered tariff, studying on the spot and separately the numerous questions on tariff affecting our various industries and applying to each of them a tariff in keeping with the needs of the times, in order not only to assure their existence but especially in order to further their expansion.

Mr. Speaker, I am not a follower of those who believe that, alone, a high tariff can ensure our success, but I am one among many who believe in a moderate tariff affording us an oportunity to make treaties with other countries. Such as the treaty with Australia that has been so much criticised since I have been in this House, but which, to my mind, has been most profitable to our country, inasmuch as it has thrown open to us a vast market for the sale of our paper, in quantities such as we have never known before, giving employment to hundreds of thousands

of Canadians. In fact, what do we witness since the ratification of these treaties? An ever increasing number of paper mills employing thousands of people. You have quite close to here, at Chelsea and at East Templeton, a company which is going to spend between $20,000,000 and $25,000,000 for the development of that industry, creating a large city of 20,000 to 25,000 of a population, bringing prosperity not only to the citizens of that town but to all those in the neighbourhood, and spreading affluence everywhere in the district. There are, at present, towns like Shawinigan Falls with a population of 14,000, Grand'-Mère with a population of 9,000, Cap-de-la-Madeline with 8,000 people, La Tuque with 5,000 of a population, Chicoutimi which has nearly 10,000 of a population, Kenogami, Jonquières, and many other towns which are centres of paper mills. If we had not those treaties, we would not have such an increase in the number of manufacturers. I must tell you, Sir, that this industry not only supports hundreds of thousands of people, not only does it bring happiness to those employed there, but also to all the farmers in the vicinities of said places where a market is at hand to sell their products among the workmen of the lumber yards; and moreover the farmers can both in winter and summer send their sons to work in the lumber camps. I find evidence of the good results secured through the beneficial policy of the government in my native city itself, in Three Rivers. A few years ago, our municipal valuation was but $14,000,000; to-day it has reached $42,000,000. I must further add, Sir, that the population has increased from 12,000 to 34,000, and this thanks to the beneficial policy of the present government.

Since 1921, American, English and Canadian companies have erected paper mills at a cost of $45,000,000. These mills have an annual output amounting to $25,000,000, and it will reach the figures of $37,000,000 next year. These companies to-day have a payroll amounting to $10,000,000 yearly, and these figures will probably increase to $15,000,000 by next year, as they are at present putting in additional plants. This money is expended within a radius of 100 miles from my home town. Do you not think, Sir, that the farmer, within said radius, gets his share of the profits accruing from such development, since in a great many cases, he works during the winter, with his sons in the lumber camps, and moreover he easily finds a ready market for his products? Do you not think, Sir, that in return he is willing to allow a small portion of the Australian products to enter Canada, such as, for instance, butter, cheese and eggs, in order that the paper manufacturers who are the mainspring of his livelihood the year around, and who are responsible for his prosperity, may for these considerations be allowed to sell their paper to Australia and other countries?

I have no hesitation in saying that before long Canada shall control the paper industry in America. Are not these advantages granted to Australia and to other countries on their exports of certain farm products to our country more than compensated by the exports to these countries of our manufactured goods? For, after all, the prosperity of our young country will only rest on a sound basis inasmuch as we shall know how to take advantage of our treaties with other nations and mutual concessions shall be made by the various classes inhabiting our Dominion. Even admitting as a fact that the Australian treaty might be a little to the detriment of our farmers, do they not themselves also find it profitable to sell, at better prices, to our workmen their eggs, butter and other products of the farm?

Yes, Mr. Speaker, the benefit of the Liberal policy is felt a little everywhere. Look, for instance, at the phenomenal development which is taking place in the lake St. John district, where at present an aluminum industry is taking root, and expending from $25,000,000 to $30,000,000 for their plants, this will found large towns in localities which yesterday were practically unknown.

There are other signs of the benefit resulting from the carrying out of the Liberal policy; such as a very marked decrease in the operating ratio of the National railways which gives us hope that before long these railways, which were so to speak in bankruptcy when we assumed power, will soon pay their way and contribute to a large extent to the progress and expansion of Canada, thanks to the wise and enlightened policy of our government who have entrusted the management of our railways to very competent men.

A further undeniable proof of the benefit conferred by the Liberal policy, is the marked increase of our exports over our imports, an increase never heard of, up to this day, and which figures out in the $400,000,000.

A number of members on the opposition side have stated that Quebec favours protection. It is so, my county comprising especially the cities of Three Rivers and Shawingan Falls is more in favour of a policy of moderate pro-

tection than of one of profiteering as understood by the opposition, and that is the policy I advocate.

The conscientious manufacturers of my county are in favour of a moderate tariff, giving equally fair play to the consumers. And that is the reason why these two large towns, Three Rivers and Shawinigan Falls, have approved of the Liberal party's policy by a majority of 5,000 votes. And note, it is as a candidate of King that I came forward and not under false colours. The large majority of people in my county are aware that it is not under a high tariff that we shall have prosperity, but under a moderate tariff and especially one which is well thought out, in conjunction with new treaties, such as that of Australia.

Were we to listen to the hon. member for Fort William (Mr. Manion), Providence alone is responsible for the good work accomplished by the Liberal government.

Other members of the opposition will propound that the Progressives alone are to be thanked for certain changes in the tariff.

I wonder if these people are in earnest and what they think of the mass of the people whom we represent in this House! For, after all, are not the Progressives the representatives of the people to the same extent as any other member and what can be the superiority of other parties over them? Was it not the hon. member for South Wellington (Mr. Guthrie) who made the most alluring overtures so as to rally their party to them?

Mr. LAPOINTE (Translation): Hear! hear!

Mr. BETTEZ (Translation): Our friends the Conservatives have kept on speechifying during two long months, this session, simply to express their disgust in finding themselves in the opposition and to try and persuade the community as a whole that the Liberal policy is not the one which should predominate in this House. Are they not to blame for this loss of time which has cost the country, according to my estimation, millions of dollars?

No, Sir, it is not through such tactics that they will win back the public's trust and that they will again become the great party as in former days. They had better try something else, let them drop their futile recriminations and accept as true Canadians the medicine that the majority of the country has administered to them, at the last general elections.

Mr. CASGRAIN (Translation): Hear! hear!

Mr. BETTEZ (Translation): In regard to the Old Age Pensions Act, I would ask that this measure which is most humanitarian, be simply a Dominion Act without taking into consideration the provinces. In my first speech in this House, in February last, I advocated such a measure. This very day, I was reading a pamphlet which the Minister of Labour (Mr. Elliott) has just published. I noticed with much pleasure that a great number of countries have adopted an old age pensions measure. I think the time has come, in Canada, to look after our old people in stringent circumstances who, by a whole life of labour, have largely contributed to the prosperity of our country. They are not to blame if they have not had the chance to succeed as well as many others. To my mind, it is an additional reason to look after them. Knowing the spirit of equity and progress of my leaders, I feel convinced that they will have this excellent legislation adopted.

As regards the rural credit measure, there is no necessity of adding anything further, for everybody knows that agriculture is the prime industry in this country and that the government must neglect nothing to help the toilers of the land.

Before I take my seat, I deem it my duty to congratulate the government on its programme in connection with the Hudson Bay railway, and I trust they shall have sufficient money left to carry out the urgent improvements required in the eastern provinces.

I also wish to sincerely congratulate the hon. Minister of Finance (Mr. Robb) on his masterly statement on the budget, this year, and I cherish the hope that next year's budget will bring forth new and appreciable reforms which will contribute, in a large measure, to the expansion and progress of this beautiful Dominion.

Mr. T. E. KAISER (Ontario): Owing to the incidents of to-day, Mr. Speaker, I was requested at a late hour to say a few words on the budget. On account of the limited time at my disposal for the preparation of anything in the form of an address I hope the House will bear with me while I endeavour to say something upon this occasion.

I would like to refer in particular to an important question before this House and before the country generally, that of what we are to do with the automobile industry. It has been argued that the automobile has become what is termed a necessity. That may be true, but I wish to refer to a statement which seems to have gripped the minds of the Progressive element especially in this House. It has been argued that any industry

which cannot stand upon its own feet with a 35 per cent protection should go down, and starting with that premise, I would like to submit a few facts. I ask hon. members whether knives and forks are a necessity; they are protected to the extent of 30 per cent. Railway locomotives have a protection of 35 per cent; fire engines, 35 per cent; sewing machines, 30 per cent; tools of all kinds, 30 per cent; window shades, 35 per cent; all the fabrics of cotton, 32½ per cent. Are blankets a necessity in this country? They have a 35 per cent duty; wall paper, 35 per cent; envelopes, 35 per cent; soap—I wonder if that is a necessity—32½ per cent. Writing ink has a duty of 25 per cent; drain pipes, which we use in order that our homes may be made sanitary, have a duty of 35 per cent; marble for fire-places 35 per cent; furniture for the homes of this country, 30 per cent; spectacles—I wonder if they are a necessity, I know they are to me—30 per cent; sterling silverware, 35 per cent; clocks and watches, 30 per cent; springs and axles for cars, 35 per cent; screws—I wonder if they are a necessity—35 per cent; bath tubs—I wonder if that is a necessity in this country; it all depends, I suppose—

An hon. MEMBER: Not for the Progressive party.

Mr. KAISER: If the Progressives want a bath they must pay a duty of 35 per cent, or go without.

An hon. MEMBER: They won't pay it.

Mr. KAISER: My point is this: When you look over the list of articles that are now paying a duty of 35 per cent or thereabouts, why should our automobile industry be singled out from all the rest and have this drastic cut made? I think that is a fair question to ask.

We had a delegation of workingmen and returned soldiers come here to-day from the city I represent in order that they might express their opposition to this cut in the duty on automobiles. There is no question that in their minds and hearts there is a feeling of protest against the action of this government. For the last three weeks there has been a feeling of unrest in the city of Oshawa and in the county I represent, because information had gone out from the capital of this country that something might be done in connection with the tariff on automobiles. The people of our city were disturbed by this report. They came to me as their representative and I said to them: "Do not be afraid." The reason I told them not to be afraid was that we had as Minister of Finance a Scotchman and a fair-minded man, and in order that I might back up my opinion I took my old Hansard and I read to them the words the Minister of Finance used one year ago when he pointed out that this country needed the revenue from the automobile tariff, when he said there were too many automobiles in this country, and when he told the House and the country he was not prepared to vote for the amendment offered on that occasion by a representative from one of the western constituencies. I argued that this man would never stand up in the House and say that this industry should be shot. I expected that he would defend us because of his past record, and because of the faith we had in his common sense. Can you imagine, Mr. Speaker, the outraged feelings in my mind and the widespread disappointment in the city I represent when these men read in the press that the Finance Minister stood up in this House and without warning, without giving our industries a chance to explain their case, reduced the tariff to such an extent that it threatened the very existence not only of our industries but of the city I represent? I stated, when I went home, that I was amazed and alarmed at the situation; that the only satisfaction I had was that as I listened to the Minister of Finance when he announced this cut in the tariff on automobiles, I observed that he said it with a lump in his throat. We are amazed; we wonder at the situation; we ask ourselves how came this about? Why this change of mind? It drives us back to the original conclusion that the one thing that is wrong is the effort of this government to hold power at any cost, and at the dictation of a few men whom they would otherwise expect to vote against them.

We believe, Mr. Speaker, that this government was absolutely defeated on the 29th of October last. We believe that the people of this country pronounced against them, and pronounced against their policy, but we never dreamt that in order to hold on to power they would think of destroying an industry of the size to which the automobile industry in this country has grown, and further, that they would not for one moment contemplate the destruction of one of the youngest cities in the Dominion of Canada. I have read modern and ancient history to see if I could dig up a parallel, and only one case comes to my mind. When I read the budget resolutions this year and those of last year and the statements made, I am reminded of the ancient story told in Plutarch's Lives where old Cato came to the Senate every day with his little bunch of figs and stated that "Carthage must be destroyed." Carthage in this case is the city of Oshawa.

Some hon. gentlemen sitting opposite say that we are unduly alarmed. They tell us that our captains of industry do not know what they are talking about. They tell us that if we take this reduction, and consider the present attitude of this government, if our men should go to work and our industries try to continue, the industries will go forward and do better than ever. Yet the men who are at the head of these industries told the government and this country to-day that it was utterly impossible for them to go on under existing circumstances. Is it possible that the government and those who support the government to-day imagine that these men do not know what they are talking about?

I pass on, not to deal with the economics of the question but to try to bring home the situation as I see it and as I know it. The people at the head of General Motors have never deceived the city of Oshawa. Thirty-five years I have lived among
10 p.m. them; thirty-five years I have observed their struggle and progress; for that length of time we have listened to their statements regarding their industry and their relations to the city, and during all those thirty-five years they have always taken us into their confidence and told us the truth and what the actual situation was. Do hon. gentlemen suppose that this is one time that they do not know what they are talking about, or that they are trying to deceive the city and deceive the people of this country?

Lest I forget, I desire to pay tribute to the kindly remarks of the Speaker of this House when he paid the delegation that came to this city to-day the compliment of saying that it was the most orderly and respectable delegation that he had ever had the pleasure of seeing come to this city and the House of Commons.

Let me point out to this House that in the city of Oshawa, which employs a larger percentage of people in proportion to its population than any other city in the Dominion of Canada, among these men who work in our factories within the limits of that city, there has never been a crime of the first order committed—never in the history of the city. There has never been an execution there—never a trial for the more felonious and heinous crimes—and why? There are two reasons. In the first place, the people who work in our factory come from the townships in the counties surrounding Oshawa, and in the second place they are so busy, so thoroughly employed, that they have neither the time nor the inclination to commit offences of that kind. I will admit of course that in recent years they have turned into the coffers of our country tremendous sums in respect to a little thirsty difficulty that we in the province of Ontario understand quite well.

The people who formed that procession to-day were almost entirely labouring men; they were not representatives of capital, they were not representatives of the factory management. It included, however, hundreds of women workers in that factory who, in their innocence, imagined they had one representative in this House who might sympathize with them in their struggle. Sorry am I to know that this representative told them that they were sent here at the expense of the General Motors Corporation. I stand here to deny the truth of that statement; they came here at their own expense. The expenses of those who were unable to pay were defrayed by other workmen in the city. They were here representing nobody but the owners of three or four thousand little homes in that city.

We had in that procession 784 returned soldiers. The Prime Minister to-day intimated that those ex-soldiers may be working for the automobile trade, but that there were hundreds of other soldiers who might require to buy an automobile. That may be so, but let the hon. Prime Minister remember that in 1918-19, when the soldiers returned from the front, the automobile business was growing and expanding; labour and assistance was required in the factory at Oshawa, and they took on, I may say, a greater percentage of the returned soldiers than any other industry in the Dominion of Canada. Those soldiers reclaimed their jobs and to-day a returned soldier in Oshawa is given a preference over any other applicant for a job. We sent from our city to the front between 1,600 and 1,700 soldiers to fight the battle of civilization and of Christendom. Of this number 132 never came back; they fell in France. During the last few years we at home endeavoured to have our city represent our ideas in stone, and we erected a monument to the memory of those who fell in France. We did not erect a monument to glorify war. We placed upon that monument a statute of a retured soldier in his garden home, and we called it "The Garden of the Unforgotten." We hoped and trusted—and our hope was realized—that the people of our city, when they passed that monument, would remember that they owed something to the returned soldier.

I should like to say something about that little monument, which is probably one of the most unique monuments of its kind in

the British Empire. Our aim was to build a symbolic monument, one that would carry also to the memories of the allied countries which joined with England in that struggle the fact that this British Empire passed through that terrific struggle and came out triumphant. We tried to bring to the minds of Canadians the battlefields upon which the great struggle took place, and the way we did it was this: we asked every allied country to send us a stone to put in this monument. We asked every part of the British Empire to send us an Empire stone. From some of the great men of the war we received stone from the very battlefields where Canadians fought and fell. And what is the result? We have in that monument a stone from the ruins of Louvain, a stone from Loos, a stone from Passchendaele, a stone from Cambrai, a stone from Mons, the Governor General of Canada sent us a stone from Vimy Ridge. We asked various cities of Europe to send us, if possible a stone that might have some little historic value. Let me read a letter we received from one of the cities where Canadians fought and fell. This letter was directed to me, and it reads:

DEAR SIR:

The city of Cambrai considers it a duty to respond to your desire and to send you the souvenir stone which you ask, for your memorial to the Canadians who fell in the war, 1914-1918. May it, by the name of Cambrai, which we have had engraved on it, recall to those who see it in your city that our city testifies to the bravery and self-denial of your men who fell here in the cause of liberty.

You have asked that this stone come from an edifice destroyed by the war: we thought we could not do better than take it from the ruins of our city hall to which so many memories are attached. You will have thus a symbol not only of the recent war but also of our struggles prior to this time, and for the same object.

The period 1914-1918, in fact, is not the first in which we have had to submit to the heavy yoke of the German empire, the tyranny of its governors and the brutality of its soldiers. Almost 1,000 years ago our ancestors have had to live in the same difficult days and, as deliverance was slow in coming, they wished to get free from the bonds that were heavy upon them.

One day in the year 956 united together in the "Peace Hall" they took a community oath to unite their efforts to get back their independence, and the most bloody atrocities did not make them renounce it.

Mr. POULIOT: Were all those atrocities committed by the kaiser?

Mr. KAISER: What does the hon. member mean by that question?

Mr. SPEAKER: Go on.

Mr. KAISER: I would like the hon. gentleman who interrupted to answer that question. Right well I know the object of his reference. Let me answer it. Mine is an Anglo Saxon name; my family has carried it for five

[Mr. Kaiser.]

hundred years. The kaiser of Germany was not known before 1871. My ancestors were not Germans; I want that clearly known. On my father's side they were United Empire Loyalists; they fought on behalf of the British cause in the revolutionary wars of 1776. My grandfather on my father's side fought at Queenston Heights and at Lundy's Lane in 1812 and 1814 to preserve this country for the British crown. In 1837 he stood for ordered government in Ontario and he opposed the grandfather of the Prime Minister of this country (Mr. Mackenzie King). In 1866 likewise my uncles assisted in bringing about order in Ontario. Twenty-six of my close relatives were on the line in the Great war of 1914. On my mother's side my grandfather belonged to the 79th Highlanders and helped to make the famous charge at Waterloo. As a Canadian I do not think I need stand for any insult from the hon. member or from any other man in the Dominion of Canada. It is because I am a Canadian and a Canadian first that I wish to have this House listen for a moment while I finish this letter and when I have finished hon. members should all feel prouder that they are Canadians:

On the day of triumph, in 1070, the "Peace Hall" was taken over as the seat of government: to-day it is our "City Hall", still devotedly preserved in the same spot, as a witness.

For the same reason, our city hall has been made precious to us, because it has had to submit to the enemy's outrage, as when it was ordered to be destroyed under Emperor Henry in 1095 and under Emperor Frederick in 1226, and again when it was burnt down under Emperor William in 1918. Each time we built it again and this time, too, we propose once more to raise it from its ruins, because it united in its structure the sufferings and the glories of our thousand year struggle for liberty, for our own liberty, and the liberty of France. We are proud to remember that the German invasions of 1792 and of 1870 have come to its steps and then expired without being able to go beyond it, and that in 1914 even, if the invading tide has overwhelmed it, that tide has scarcely been able to reach further.

We remember also that when in October, 1918, the privilege was given to the few scattered inhabitants remaining in the city of thanking those who had delivered them, in the very first rank was your General Loomis and it was in the ruins of our city hall that they thanked him.

This last remembrance would have been sufficient in itself alone to fix our choice in providing the stone that you desire. Other remembrances are added to it, however, since they will make you feel that having often suffered we know how to understand and appreciate sacrifice. Now, no sacrifice is so entire as the sacrifice of one's life, and numerous are your dead on our soil. We do not forget here—and I will cite only this example—that it was the Canadian battalion that on October 9th, 1918 forced the passage of the bridge at Cantimore in the west suburb of Cambrai; the battalion lost 380 men out of a force of 640, i.e. two-thirds. We do not forget either that it was to the efforts of the survivors that we owe the stopping of the fire by which the enemy had hoped to reduce our city to ashes.

So, believe us, we are heartily with you in the homage you wish to show to the fighting-men of 1918.

Kindly accept, sir, the assurance of our best and highest feelings.

The Mayor of Cambrai.

Mr. Speaker, my object in mentioning this is to show you the spirit of the returned men of the city which I represent. It is on account of what they have done, on account of the fact that most of them are married men and that most of them relied upon the pledges given to them in 1921 in the armoury at Oshawa when the Prime Minister of Canada stood up in their midst and assured them that if he were elected no industry in that city would suffer. Nevertheless, in two years' time, through their juggling with the tariff, this government destroyed one of the greatest industries we ever had in Oshawa, namely, the malleable iron industry.

During the last election a similar visit was paid to our city by the same Prime Minister of our country, and there he gave the same kind of promise. Our soldiers and our workmen returned to their little homes resting assured that no injury would be done. I know from personal contact with them that there are to-day in that city representatives of three or four thousand little homes with a few hundred dollars paid upon them, and these men are endeavouring to pay the balance in monthly instalments. It is little wonder that they feel alarmed over this situation; that they feel that they have a grievance in their hearts and that they are going home to-night dissatisfied with the answers and assurances that they have received. The answers given by the Prime Minister were evasions of a strange character. He told these people that in the House of Commons no amendment was made to the budget, and then he split hairs by saying that the automobile itself was not mentioned in any amendment, that no pointed effort was being made by members of the House to save the automobile industry, although he knew that the amendment of the Conservative party pointed to that as directly as the compass points to the north pole. The Conservatives are in the minority in this House as regards voting strength, but it is my belief that the great body of Conservatives and two-thirds of the Liberals of this House sympathize with the efforts we are putting forth to save the industrial fabric of the province of Ontario. We fear not only for the automobile industry itself, but for the people of Ontario who have spent $200,000,000 in developing the water-powers of that province, which depend for their success upon the continued operation of our industries. The greatest customer the hydro-electric enterprise of Ontario has east of Toronto at the present time is the General Motors Company of Oshawa, and the representatives in this House from western Canada, it seems, are going to destroy or very seriously impair that concern along with all the others throughout the province, curtailing in consequence the operations of the hydro. When this happens, how are the people of Ontario going to bear the tremendous burden of debt that will follow the collapse of industrialism in the province? Is it not clear that the farmers of the province will have to carry it? Cannot the farmers of the west realize that there are other people besides themselves engaged in agriculture in Canada? And do those farmers imagine that they can go on forever selling anywhere from four hundred to five hundred millions of bushels of wheat a year? Do they think the soil of western Canada can indefinitely yield such a crop? Why, science has demonstrated that this cannot be done, for it is imperative that the soil be replenished with some portion of the fertility that is taken from it. Let hon. gentlemen from the west study the history of China, where some of the fertile valleys are just as productive to-day as they were two thousand years ago. Why is this? The reason is that even the Chinese know better than to produce to the limit without putting back something of the fertility they take from the soil. I agree with those who say that Canadian producers should grind all their wheat at home and export it in the form of flour, because this country needs the offal in order to replenish the soil.

Some of the theories that are being preached in Canada to-day will ruin the country if they are carried very far into practice, with the result that Canada in the end will find herself in an inextricable mess. Look at what has happened to the sheep industry as a result of our free trade tendencies. In 1870, fifty years ago, we had in Ontario 3,500,000 sheep, whereas to-day we have only 2,500,000. I have letters on this subject, from some of the leading agriculturists of our country, and of the Dominion for that matter, all going to show what an advantage it would be to Canada to develop the sheep industry. The sheep is the best scavenger that is known in any country. You will not find a dirty farm where there are sheep in any large numbers, but in Ontario many sections are growing wild with weeds, and the same is true of Manitoba and the west. This country, in my opinion, should have at least 30,000,000

sheep, which would represent an asset of some $300,000,000, but we cannot hope for any development of the industry without protection. Protect the industry and you will have woollen mills throughout the country affording employment to our people.

Mr. CAMPBELL: Does the hon. member imply that those who are engaged in agriculture know less about it than he does?

Mr. KAISER: I have the authority of William Dryden and Robert Miller, gentlemen who are known throughout the Dominion as among our greatest agriculturists, and I am prepared to take their opinion in preference to that of my hon. friend. I am not giving the hon. gentleman my views; I am simply quoting the views of those who are in a position to speak authoritatively, having made their names famous in agriculture in Canada. I come from a county which is perhaps the Mecca of Canada so far as good stock is concerned, and I know what the possibilities are if the people are given a chance.

As regards the proposed reduction in the duty on automobiles, I am convinced that this whole Dominion expects the government to heed the voice of the delegation which visited the capital to-day. I know what the result of this attack on the tariff will be to thousands of our workingmen. Now, these people are making a reasonable request of the government. All they ask is that this question be referred to a tariff board of experts for careful consideration, and that everyone concerned be given an opportunity to state his case clearly. This is what the people of Oshawa want and they are prepared to stand by the verdict of such an investigation. I am pleading with the government to-day simply to honour the pledge which the Prime Minister himself gave to the country, and the pledge which the government put into the mouth of the sovereign's representative when he read the Speech from the Throne. Can the government solemnly give an undertaking in that speech and then in a quiet moment repudiate it, especially when, as we know on the authority of men who are well versed in the matter, this breach of faith will bring about the destruction of thousands of homes in Canada? I have lived among these people. As a doctor I helped to bring into the world many of the boys and girls who will be affected by this action of the government, and I have seen them grow up from infancy. I know the kind of people they are, and I am sure it would be with feelings of deepest regret that they would leave Canada to find employment elsewhere. But this is what they will have to do if the government persists in its present intention. The situation is unparalleled in our history, and all we ask is that the government and the Prime Minister carry out the solemn pledge they gave to the people and which they put into the mouth of the Governor General of Canada.

Mr. ROBERT McKENZIE (Assiniboia): We have listened to a very able defence of the action of the people of Oshawa, but it is difficult for us to believe that these people are always consistent, and we question whether they were consistent in their visit to-day. I have here a copy of Hansard of last year in which I find that Mr. Clifford, the Liberal member for what was then the constituency of South Ontario. which included, the city of Oshawa, voted against the amendment proposed by the hon. member for Macleod (Mr. Coote) to reduce the duty on automobiles. The Coote amendment of last session read:

> That in the opinion of this House a substantial reduction should be made in the customs tariff on automobiles and motor trucks.

We find that the then member for South Ontario, Mr. Clifford, a supporter of the government, voted against that resolution, but at the general election the people of Oshawa rejected him. I learn further that on that division six Conservatives who are still members of this House voted in favour of the resolution, namely, the hon. member for South Oxford (Mr. Sutherland), the hon. member for Kingston City (Mr. Ross), the hon. member for York-Sunbury (Mr. Hanson), the hon. member for Kent (Mr. Doucet) and two others whose constituencies I do not recall.

Now, we are told that the government is going to destroy the automobile industry. To me, Mr. Speaker, that is an old chestnut; we have been hearing it for a great many years. I well remember reading years ago the same story whenever the tariff was reduced. I am not a particularly old man yet, but in my younger days I followed the occupation of a veterinary surgeon. I found a few years ago that the horse industry, which meant my livelihood, was largely ruined—I say, ruined—in the same measure as that word is now applied to the automobile industry. Therefore it is just putting the shoe on the other foot. The horse industry has been hurt to a certain extent by the automobile industry,—more, I believe, than the automobile industry will be hurt by this reduction of

fifteen per cent in the tariff, yet no one ever suggested a government subsidy to horse breeders.

Before I proceed with the general trend of my remarks with reference to the budget, I desire heartily to congratulate the Minister of Finance (Mr. Robb) on the clear, comprehensive and concise manner in which he presented his budget to this House and the country last week. For a number of years now it has been my duty to prepare at certain stated periods financial statements for organizations with which I am connected. Of course these statements are on a much smaller scale than the budget, but what I have done in a small way enables me to appreciate how the Minister of Finance must have felt when he was able to present such a favourable report on the financial condition of the country. It was always a source of satisfaction to me when I was able to bring in a financial statement showing a financial improvement in the organizations with which I was connected, and I am sure the hon. minister must have been deeply gratified to be able to record such a substantial improvement in the affairs of this Dominion.

For a number of years past I have studied the budgets—to a limited extent it is true—and when I listened to the Minister of Finance last week the thought struck me most forcibly that this was the best financial statement that had ever been presented to this House. I was particularly pleased a day or two afterwards when no less an authority than the veteran member for Bonaventure (Mr. Marcil) stated that it had been his privilege to sit in the House of Commons and hear twenty-five or more budget speeches, and he believed this was the best. I think this warrants my saying that the minister has probably presented us with one of the best budgets since confederation, in that it contains, at least when coupled with the legislative programme of this session, something that appeals to our people in all walks of life. For instance, the reduction in the national debt by $22,000,000 is a welcome piece of news to every Canadian. We believe and hope that this is only the beginning of a number of similar reductions and that before many years we shall be relieved of the great menace of our enormous debt, thus getting back to the conditions which prevailed before the war. We are all pleased to note the increased trade, and the resultant increased revenue approximating $30,000,000. This, coupled with the decrease in expenditures leaving a surplus of revenue over expenditures of some $55,000,000, is indeed very gratifying in comparison with the conditions which prevailed when the government took office in 1922. The reductions in taxation also appeal to all classes of people. The reduction in the income tax will probably appeal more to some than to others. But we have the reduction in postage and the abolition of the receipt tax, and altogether it is estimated that there will be a general reduction in taxes amounting to some $25,000,000. This does not apply to any particular section of the country or to any one class, but everyone will benefit in some measure.

In connection with the finances of the Canadian National Railways we are gratified to find a more satisfactory condition. There has been a gradual improvement since the coming into force of the present system of operation, and during the election campaign I stressed this point particularly. If there is one thing more than another for which this government deserves credit I believe it is the improvement shown in the Canadian National Railways. When this government took office the condition of affairs was very unsatisfactory. There is no use in enumerating the conditions which then existed, but we find now, after some four or five years of operation, a surplus over all operating expense of some $32,000,000, almost double that of 1924. It has been stated—and I am not sure of the truth of the statement—that certain items which are considered as assets and included in the capital account of the Canadian National Railways do not represent real value. If that is the case I would suggest a revaluation of the assets in order that the railway may receive encouragement, and the management be given a proper opportunity of making an earlier success than would otherwise be obtained.

Returning again to the budget, I believe it is one which will be accepted with almost universal satisfaction. A day or two after the presentation of the budget I was interested in reading the comments of the daily press. It was very noticeable that, irrespective of the political leanings of individual papers, almost every one had some favourable comment to make with regard to this budget. These things must be far from consoling to some hon. members of this House, and to some of the people who went on platforms in every part of Canada picturing dire calamity and prophesying certain ruin unless the King government were defeated and a Conservative government elected. On October 29 last the electors of Canada did not elect a Conservative government; the King government is still in power, and desolation and ruin have

not yet overtaken us. That the country has on the contrary made remarkable strides and shown great vitality is exemplified by the fact that in this budget it has been possible to reduce the taxation as I have already indicated. Moreover, we learn that the export trade of the country in the last year showed a favourable balance of some $381,000,000, as compared with an unfavourable balance of $29,000,000 in 1921. Is it any wonder that the people do not want a Conservative government in power?

In connection with these prophecies of financial ruin and dire distress we cannot help observing the reports brought in by our banks, insurance companies and financial institutions generally during the last few months. Almost without exception they have shown increases in business, and managers and directors have expressed confidence in the future. Surely, Mr. Speaker, if there were any evidence of the dire distress predicted by our Conservative friends it would be reflected in these financial statements. A number of manufacturing concerns also, some in the central part of Ontario, have reported the year 1925 very good in a business way. These statements can hardly be said to be issued for political purposes, because our financial institutions do not enter into politics to any great extent.

We have heard a great deal about conditions in the Maritimes. I do not know very much about that question, but a few days ago I received through the mail a paper called The Evening News, of New Glasgow, Nova Scotia. Page 2 was marked, and in turning to that page I found an item which, although not truthful, at least shows that this paper is not favourable to the King government. It went on to say that the government is holding office by theft, and a few other things of that kind, but on the front page appears the following heading:

> Business Conditions Improving in New Glasgow.

It goes on to say:

> Merchants look with confidence to the future. Volume of business better than last year.

Then the remarks of several business men are given, and the conclusion is as follows:

> The foregoing are some of the opinions expressed by a number of merchants taken at random throughout the town. Others added comment along the same line. The general consensus of opinion seems to be that there is a noticeable improvement, and that the summer should be appreciably better than last year.

If there is an improvement in conditions throughout this country, however, some of our Conservative friends are not prepared to give the government any credit for it. They say it is due to Providence, to crop conditions and that sort of thing; but, on the other hand, every ill that befalls the country is in their estimation the fault of the government. I was pleased the other day to hear the hon. member for South Wellington (Mr. Guthrie) make, perhaps unwittingly, a remark that I should like to have appear again on Hansard, because it is something that we people from the west believe with him to be the truth. Speaking on the 15th day of April he said—Hansard page 2458:

> I believe I am within the mark when I say that Providence has blessed Canada during the past season with a wheat yield in the western provinces unsurpassed both in quality and quantity, a yield which is to-day commanding a good price in the markets of the world and this fact constitutes the most important feature of our commercial success. I do not believe I am far wrong in making that statement. But fortunately it is not only in the prairie provinces of the west that Providence has blessed us. Ontario, this great central province of Canada, has also been blessed with a wonderful harvest. So far as Providence has seen fit to act in the matter, He has poured out on this country an abundance which we have not enjoyed for many years past and we are to-day reaping the benefits.

Mr. Speaker, we in the west believe with the hon. member for South Wellington, as recorded there, that the crop conditions of the west have been largely responsible for the progress that has been made. We believe that it is a great factor, and that the improvement of conditions in the west will do more than anything else to bring about the prosperity that we want in this country. We believe that if the farming industry of our prairie provinces is properly nursed, and if we are given the proper opportunity in that country, we can bring back again something approximating the conditions of the early years of this century when there was a certain amount of prosperity all over Canada. And let it be noted that while there was a great development taking place on those western plains, the cities of Ontario were being built up and there was very little unemployment in these central provinces during that period. The cities of Ontario and eastern Canada generally developed and prospered, which development and which prosperity was largely due to the great market which was opened up in the west for all classes of goods produced here in eastern Canada. They had a market for all the lumber, all the machinery, all the household furniture, clothing and other products that it was possible for them to produce, and as time went on they kept increasing the number of their factories because of the great market that was opened up on the western plains. We in the west, then, are convinced that it is impossible to bring about the improved conditions we are looking forward to by increasing tariffs, and we are not going to be

led away from the principle of lower tariff by any suggestion of protection for the farmer's products. In that connection may I be permitted to read just a few extracts taken from an editorial in the Manitoba Free Press of January 20, 1926. Dealing with the Fordney-McCumber tariff of the United States, it shows just how the farmers there are faring by the protection of their products, and says:

> The Fordney-McCumber tariff wall is being battered and hammered from so many sides and by so many interests that some of the bricks will soon be in the scrap heap, and many others replaced by brick of different dimensions. The farmers of the American west are losing faith in the tariff duty on wheat. The president of the National Council of Co-operatives told the council at Washington the other day that the Canadian farmers were getting a better price for wheat than their American competitors. At the recent meeting of the People's Reconstruction League it was announced that "the American farmer gets a 42½ cents tariff duty, but the Canadian gets 20 cents more for his wheat."

It goes on:

> No one as yet has been silly enough to suggest that a tariff on cotton would do any good.

Further on it says:

> The Canadian tariff should be a matter for a Canadian decision based on the Canadian situation. A nation of nine million people that depends largely for its existence on its export trade of the products of its farms is a vastly different proposition from a nation of a hundred and fifteen millions that is consuming the bulk of what it is producing, and which has a much more diversified production of natural products. It is a purely superficial view that the tariff of one should correspond to the tariff of the other. Likewise it is quite possible that the Canadian tariff might suffer from the fiscal policy of the British Isles, where the existence of a large section of the population is bound up with ability of its manufacturing plants to find world markets for fully manufactured goods. Great Britain is a workshop; Canada is mainly a dealer in natural products. What might be good for one might be ruinous to the other.

In that connection let me say that I have never yet learned of any farmers' organization in this country that ever placed itself on record as asking for a tariff on farm products, and it is a significant thing that the suggestion of protection for the products of the farm should come from the party which in 1911 rejected reciprocity.

Coming as I do from a constituency which is largely agricultural—the only other industry carried on in that constituency to any great extent is lignite coal mining, about which I hope to be able to say something to this House later on—I want to make just a few observations at this time relative to some of the remarks that have been made with reference to the farming industry of Saskatchewan. The impression has been given that we out there are what some hon. gentleman has called land robbers; in other words, that we are growing nothing but wheat. The province of Saskatchewan occupies to-day an enviable position in the raising of live stock. This has been demonstrated at various times by the standing attained by Saskatchewan breeders of live stock, particularly horses, at both national and international fairs. They have carried off a great many prizes at these fairs, and there is no better country in the world than those western plains for the grazing of cattle. There were in the province of Saskatchewan at the last census something over 1,000,000 horses: they had something over half a million milch cows and over a million other young cattle besides sheep and swine. They produce approximately $700,000,000 worth of grain. In addition to this, there are by-products, such as dairy products, poultry and its products, the products of the garden; wool, game and furs, and so forth, amounting to approximately $35,000,000. All this wealth—these millions in grains; all this stock, the beef and mutton which is shipped out, in addition to the $35,000,000 worth of by-products—is produced by a population of just a little over 800,000 people. My reason for mentioning this is the fact that there is not, so far as I am aware any other country where there is such a large per capita production as these figures show for Saskatchewan. But in spite of the production of those 800,000 people, in spite of all the wealth they are producing we find that our people are not as prosperous as they should be; in fact a great many of our farmers to-day are in dire financial circumstances, which proves they are not getting value for what they produce. But, Mr. Speaker, notwithstanding all the adverse conditions that our farmers have encountered in the last few years; notwithstanding the fact that they have crop failures and other adverse conditions, there is in that country, a new outlook for the future. Our people are optimistic. They have faith in the future of their country, and I believe they will be encouraged by the fact that the government has shown some sympathy in the budget that has been presented and in the legislative programme of this session; it will bring fresh confidence to our people and will tend to further development. I believe that no one thing will do more to make Canada as a whole prosperous than the development of agriculture in western Canada. But the people of western Canada cannot see how this can be accomplished by raising the tariff on implements of production needed to produce the crop which tends to make the rest of Canada prosperous. To my mind the crux of the whole tariff controversy is the extent to which

the tariff upon an article enters into its cost to the purchaser. That was very well illustrated in the debate which took place here a few weeks ago in connection with the automobile tariff, where I believe it was amply demonstrated that the automobile industry was taking the full benefit of that tariff protection. We have heard the hon. member for Ontario (Mr. Kaiser) give his views in that connection, but I should like to read to the House the opinion of another man, who, I believe, is at least as capable of sizing up the situation with respect to the automobile industry as the hon. member for Ontario. This is a copyrighted article by Charles Vining, published in the Ottawa Evening Citizen, stating the views of no less a person than Henry Ford. It reads as follows:

Dearborn, Mich., April 23—If Henry Ford became prime minister of Canada, Robert Forke could qualify as a good Conservative and the Robb budget of 1926 would be about as exciting as luke warm lemonade.

Mr. Ford would not merely reduce the tariff on certain classes of automobiles, he would wipe out the tariff. He would establish free trade, absolute and unequivocal. As a manufacturer of automobiles in Canada he believes the tariff to be a hindrance and stupidity.

Mr. Ford surprised people with something of this opinion in a brief remark after visiting his great Canadian plant on Wednesday. This afternoon he enlarged on the subject, confirmed his statement that free trade would benefit industry, gave his reasons and explained their application to the manufacture of Ford cars in Canada.

From the conversation came voluntary statements of pertinence and encouragement to Canadians, that it is possible to manufacture as cheaply in Canada as in the United States, that Ford cars in Canada have been selling at a higher price than necessary because of the tariff, that the tariff encourages industrial indolence and tends to permit prices based on what the market will pay rather than on proper costs of production, that the Ford Company of Canada, and presumably other Canadian companies will develop greater efficiency and economy of manufacture as a result of the proposed tariff reductions.

Supplementing discussion of the tariff came a picture broadly sketched of industry twenty years from now, a thing of gigantic forces and stupendous organizations compared with which the great corporation of to-day is a "peanut."

I introduced the subject of my visit. Had he said that free trade would be a good thing for his Canadian company. Did he, the largest manufacturer of automobiles in Canada, agree with the proposed tariff reductions? Would he offer an opinion which might be useful to Canadians who are perplexed?

"You people are just waking up," said Mr. Ford in reply. "You ought to rub the other eye now, too, and clean out the tariff."

"Would it be a good thing for your company in Canada?"

"Certainly."

"The tariff is a hindrance to trade. I would have free trade. I believe in free trade everywhere."

"Do you mean by that that you can manufacture a Ford car as cheaply in Canada as you can here?"

"I can. Give me that plant at Ford City and I'll compete with the plant here at Highland Park any day. Why shouldn't I? Our unit in Canada can buy as cheaply as we can here. We make every part of the car in the Canadian plant and ninety-five per cent, over eighty-five anyway, of the raw material is supplied right in Canada. We get our steel from Algoma, lumber, everything we need."

"The usual answer," I suggested, "would be that large scale production makes the difference. Many Canadian manufacturers believe that they cannot compete with American manufacturers because the latter have advantages in mass production."

"I don't see that," said Mr. Ford, "What do you mean by mass production? I think we've got large scale production in our Canadian unit. They're turning out six hundred cars a day."

"How many are you making here?"

"Oh, we're doing between seven and eight thousand a day, but I don't think that's any advantage after a certain point."

"Do you mean that large scale production ceases to be an advantage when it grows beyond a certain degree?"

"Yes," said Mr. Ford, and explained that costs of manufacturing are almost equally divided between labour and raw materials. In both of these items, he argued, the Ford Company of Canada is as favourably situated as the American plants.

"In fact," he added. "you have a better class of workman in Canada than we have here, more intelligent, more vigorous. I like to look at their faces. They're mostly Anglo-Saxon."

"If it is true then," I said, "that the Ford car can be made as cheaply in Canada as here, why have we had to pay a much higher price for it all this time?"

"The old story," replied Mr. Ford, with a twist of his shoulders, "Because they have been able to get the price, that's all."

"Because the tariff has made the higher price possible?"

"Yes, certainly they've been able to get a higher price in Canada, naturally they've taken it."

"It is quite evident that the consumer will benefit from tariff reduction by lower prices," I said, "but you say that the automobile manufacturer will benefit also. Can you explain in what way?"

"Why, yes," replied Mr. Ford in some surprise, "It's quite simple. Lower prices mean more buyers, more buyers mean more business, more business means growth for the manufacturer. I would cut out the tariff," he repeated, "and have free trade. Free competition brings healthy business. I can tell you that those fellows over in our Canadian unit are going to manufacture more efficiently now. They'll have to, it's going to be a better plant over there, better organization. That's another reason why it's a good thing for the manufacturer."

"You believe then," I asked, "that to help the manufacturer one must first help the consumer, and if the consumer benefits the manufacturer is bound to benefit?"

"I don't know any other way," replied Mr. Ford briefly.

"Some people," I explained, "believe in the reverse process. They say that tariff reduction will kill manufacturing in Canada, that there will be unemployment and no wages, and therefore no money for the consumer to spend, that you must first help the manufacturer in order to help the consumer."

"That's all wrong," said Mr. Ford.

It seems to me that after that it is unnecessary that I should say anything further with reference to that phase of the tariff question.

We have heard a great deal in this House about the tariff question, and I should be glad if the leader of the opposition (Mr. Meighen) were in his seat now, while I say

just a word in regard to my constituency. I was not a candidate in the election of 1921 in the constituency which I represent, but in the election of 1921 as well as in 1925, Conservatives, speaking on a good many platforms, stated that if the people of my constituency or the people of Canada wanted reductions in the tariff they would have to elect a Conservative government because Conservative governments had in the past reduced tariffs more than the Liberal party had. If the leader of the opposition were in his seat I would ask him whether he would own or disown that statement of his lieutenants out there. I would like him to tell this House what reductions have been made in the tariff by the Conservative party, and to state his attitude with regard to the tariff on agricultural implements.

Mr. ARTHURS: What about the tariff on furniture?

Mr. McPHEE: Does the hon. member want to buy a casket for the party?

Mr. McKENZIE: The hon. member for South Wellington (Mr. Guthrie) the other day was inclined to condemn the Liberal party because it had not lived up to its policy as enunciated even as far back as 1879, and particularly in the days of Sir Wilfrid Laurier. I believe that as conditions change in this country it is necessary for any political party to change its policy to a certain extent in order to meet changed conditions. To my mind, one reason why the Conservative party is as unpopular as it is at the present time in western Canada is because it is trying to stick to the old policy of 1879 and from then on, forgetting entirely that since that time there have located out on those western plains more than two million people who that party ignores. We people out there have a right to be considered, not only because we represent more than one-quarter of the population of this country, but, as I have stated, because those western plains are responsible for the vast majority of our agricultural production.

We have heard a great deal about unemployment in Canada. That there is unemployment I am well aware, but it is no new thing; it is not a matter that is confined to the last three or four years. There has been unemployment in this country for many years and probably the chief reason why there has been more of it in the last few years than formerly is due to war conditions, the aftermath of the war. But to my mind the remedy is for us to set ourselves to make farm life so attractive that many of the unemployed from our cities will go on to the land where they will find employment the year round, for it is in that way that the situation in our cities will be relieved.

On motion of Mr. Stirling the debate was adjourned.

On motion of Mr. King (Kootenay) the House adjourned at 11.27 p.m.

Monday, April 26, 1926.

The House met at three o'clock.

SEALRIGHT COMPANY INCORPORATED

Sir HENRY DRAYTON (West York): moved:

That the petition of the Sealright Company, Inc., presented this day, praying for an act respecting a certain patent of the said company and the report of the Clerk of Petitions thereon, be referred to the select standing committee on Standing Orders pursuant to the provisions of rule 88.

Motion agreed to.

IMMIGRATION ACT AMENDMENT

Hon. CHARLES STEWART (Acting Minister of Immigration and Colonization) moved for leave to introduce Bill No. 91 to amend the Immigration Act.

Sir HENRY DRAYTON: Explain.

Mr. STEWART (Edmonton): This bill has been on the order paper for some time. There is nothing new in it except that it involves some amendments to the Criminal Code that will come later. This amendment is merely the amendment that has been submitted on two former occasions, except that on this occasion we are striking out section 41 and substituting a new section 41 which after all is nothing more or less than a provision to simplify our inspectional work and to deal particularly with the discrimination against British-born in the present act and deportation for political offences which may take place without conviction and only on a hearing before a board of inquiry. This will remove the two objections because in the bill we recognize the residence of the British-born and provide that deportation for

political offences shall take place only after conviction. That is all that is involved in the bill. The officials of the Department of Immigration are foregoing the right of deportation under the provisions of section 41 which was enacted during the war period.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Will the minister explain why he describes that as discrimination against the British-born?

Mr. STEWART (Edmonton): Perhaps my words were not very well chosen. British-born have no more rights in Canada than any other individuals coming to Canada. There is however the short term of residence in which they have to qualify and during which we can deport them for offences under section 41.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

DOMINION INCOME TAX DEPARTMENT

Mr. WHITE (London):

1. What gross amount was collected by the Dominion Income Taxation department in each of the following years: 1919, 1920, 1921, 1922, 1923, 1924, 1925?
2. What refunds have been made from each year's collection?
3. What was the cost of collection for each year?
4. How many employees were there in the department in each year?
5. What amounts were collected by the office at London, Ontario, in each of the years mentioned?
6. How many employees were in the London office in each of the years mentioned?
7. What are the names of those who now act as assessors in the London office?

Hon. Mr. BOIVIN:

1.

Fiscal Years	Income Tax Collected
1918-1919	$ 9,349,719.80
1919-1920	20,281,081.68
1920-1921	46,579,551.20
1921-1922	79,960,245.08
1922-1923	61,321,125.64
1923-1924	55,579,032.02
1924-1925	57,266,911.43

In addition the following taxes were collected under the Business Profits War Tax Act:—

1918-1919	32,970,061.81
1919-1920	44,145,184.48
1920-1921	40,841,401.25
1921-1922	22,815,666.58
1922-1923	13,031,461.80
1923-1924	4,752,680.89
1924-1925	2,704,427.37

2.

1918-1919	——
1919-1920	17,341.77
1920-1921	197,726.89
1921-1922	1,275,890.28
1922-1923	1,609,587.27
1923-1924	1,375,004.03
1924-1925	1,018,868.61

3.

1918-1919	495,797.38
1919-1920	1,145,088.03
1920-1921	1,953,988.54
1921-1922	2,277,349.78
1922-1923	2,040,461.08
1923-1924	1,935,242.19
1924-1925	1,693,025.23

4.

1918-1919	407
1919-1920	898
1920-1921	1,330
1921-1922	1,447
1922-1923	1,354
1923-1924	1,201
1924-1925	1,057

5.

1918-1919	302,133.10
1919-1920	622,792.71
1920-1921	1,636,120.23
1921-1922	5,274,378.78
1922-1923	3,964,016.04
1923-1924	4,767,913.61
1924-1925	4,114,955.22

6.

1918-1919	19
1919-1920	67
1920-1921	90
1921-1922	86
1922-1923	77
1923-1924	58
1924-1925	50

7. H. I. Orr, J. M. Dickinson, W. G. Harding, J. C. Kennedy, J. H. C. Woodward, J. N. Wood, G. D. A. Blandford, R. S. Booth, W. H. Irvine, H. Morgan, F. J. Weldon.

MR. LEWIS DUNCAN

Mr. HOCKEN:

1. What moneys have been paid to Lewis Duncan, barrister, at Toronto, by the present government in each of the years 1922, 1923, 1924, 1925 and 1926?
2. How much of said moneys was for services and how much for expenses?

Hon. Mr. LAPOINTE:

Department of Justice—

1.

1922-23	Nil
1923-24	$3,491 62
1924-25	Nil
1925-26	700 00
1926-27	Nil

2.

	Services	Expenses
1922-23..	Nil	Nil
1923-24..	$3,150 00	$ 341 62
1924-25..	Nil	Nil
1925-26..	700 00	Nil
1926-27..	Nil	Nil

Department of Labour—

1.

1922-23..	Nil
1923-24..	$ 4,532 60
1924-25..	21,924 29
1925-26..	11,751 12
	$ 38,208 01

2.

	Services	Living allowances and disbursements
1922-23..	.....	.....
1923-24..	$ 3,840 00	$ 692 60
1924-25..	17,468 50	4,455 79
1925-26..	10,180 00	1,571 12
	$ 31,488 50	$ 6,719 51

Department of Trade and Commerce—

1 and 2. 1922—$1,250—Salary as counsel for Board of Commerce for January, February and March, 1921. No expenses.

1923..	Nil
1924..	Nil
1925..	Nil
1926..	Nil

CARILLON POWER DEVELOPMENT

Mr. MEIGHEN:

1. What is the name of the company or companies, person or persons, referred to by the Prime Minister on the orders of the day of April 16, 1926, as having made application for certain leases, licenses, or permits, affecting the Ottawa river in the neighbourhood of Carillon?

2. What, briefly, does the application ask for?

3. When was it filed, and what action has been taken with regard thereto?

Hon. Mr. LAPOINTE:

Department of Railways and Canals.
Office of the Chief Engineer,
Ottawa, April 21, 1926.

Memorandum:

Re Carillon Development

Under lease No. 24414, dated December 1, 1921, to the National Hydro Electric Co., Ltd., the company is given the right to construct a dam in the vicinity of the present Carillon dam on the Ottawa river which would raise the water level to elevation 120, and to develop the full flow of the river at this point, exclusive of the amount required for navigation. Since the granting of this lease, the company have submitted draft leases for the consideration of the department which involve raising the level provided for above the proposed dam and the export of a portion of the power developed. The draft leases have not been approved and lease 24414 is still extant.

In December, 1924, the Montreal, Ottawa and Georgian Bay Canal Company, in accordance with the provisions contained in their charter, granted in 1894 and at various times amended and extended, submitted for approval a plan showing the location of their proposed works in the section of the river extending from Grenville to Carillon. In December, 1925, the company submitted for approval an alternative location of their proposed works in this section. Neither scheme has been approved, and because the construction of a new canal with the works incidental thereto in this section will affect the existing Carillon and Grenville canal under this department's jurisdiction, the company's representatives have been verbally advised, that their plans will have to be submitted in more detail before consideration will be given to their proposals.

A. E. Dubuc,
Chief Engineer.

Department of Public Works.

1. The Montreal, Ottawa and Georgian Bay Canal Company.

2. The approval of plan of a canal and works from Hawkesbury to Pointe Fortune.

3. Filed on December 18, 1924, under the company's charter granted under act of parliament, 57-58 Victoria (1894) and amendments. Matter under consideration.

CANADIAN NATIONAL RAILWAYS—BRANCH LINE

Mr. FISH:

1. Was a numerously signed petition from the residents of the county of Northumberland, New Brunswick, presented to the government, or some department thereof, during the last session of parliament, praying for the construction of a branch line of railway from a point at or near Newcastle, New Brunswick, on the main line of the Canadian National Railway, to connect with the Caraquet branch railway at Tracadie?

2. Was a promise made by the Prime Minister or by any member of the government in 1925 that at the next session of parliament, provision would be made to build fifteen miles of this branch?

Hon. Mr. LAPOINTE:

1. Yes; to Department of Railways and Canals.

2. No.

CANADIAN NATIONAL RAILWAYS—TIES AND BALLAST

Mr. PRICE:

1. What number of railway ties did trackmasters estimate would be necessary on Atlantic region of the

Canadian National Railways between Campbellton and Truro, and what numbers were supplied the various sectional divisions for placement during 1925?

2. Of the number supplied, how many were placed under track and what number were left unused as a result of extra section gangs being laid off before the work was completed?

3. On what sections between Campbellton and Truro was ballast asked for, and what quantity was supplied each section?

4. How much was placed and footed in the road-bed, and on what sections?

5. Was a proper track gauge machine trailed over the Atlantic region during the year 1925, and with what result?

Hon. Mr. DUNNING:

1. (a) 211,582; (b) 211,582.

2. (a) 141,814, including 27,437 treated hard wood ties; (b) 69,768.

3. (a) Harcourt subdivision between Newcastle and Moncton, 10,300 cubic yards; (b) Harcourt subdivision, 7,280 cubic yards.

4. 7,280 cubic yards Harcourt subdivision mile post 0 to 3.50 west of Moncton.

5. Use of track gauge machine not considered necessary during 1925.

LACOMBE EXPERIMENTAL FARM

Mr. DAVIS:

1. Does the government rent or lease any lands from A. W. Sharpe of Lacombe?

2. If so, what are the terms of lease or rental?

3. Who has the use of the buildings on the said land?

4. What improvements, if any, have been made on said land by the government in the way of new buildings, fences, breaking and seeding down of grass, during the terms of said lease or rental?

5. What is the total cost of said improvements during the terms of occupancy of said lands?

6. Are said lands under lease now?

7. Are any other lands leased or rented and used in connection with the Lacombe experimental farm?

8. If so, what lands, from whom and what are the terms of said lease or rental?

Hon. Mr. MOTHERWELL:

1. No.

2. Answered by No. 1.

3. Answered by No. 1.

4. No improvements were made. Seeding done in 1923 was entirely for our own use.

5. Nil.

6. No.

7. Yes.

8. 110 acres owned jointly by the town of Lacombe and municipal district of Crown No. 399; rental $300 per annum; 116 acres owned by Emma Staack; rental $400 per annum.

GOVERNMENT INSURANCE OF LIVE STOCK

Mr. DAVIS:

1. Does the government regulate the insurance on live stock in the different stock yards in Canada?

2. Is the insurance of one half of one per cent, which is deducted from shippers of live stock, permitted under the government regulations?

3. To whom is this insurance paid, or in other words, who receives the benefit of this insurance?

4. What is the insurance for?

5. What percentage of cattle, hogs and sheep to which this insurance applies is condemned in the province of Alberta?

6. What is the total amount deducted during the years 1920 to 1926, inclusive, in Alberta?

7. What is the total amount collected from the shippers under this requirement in the province of Alberta?

8. Are commission charges regulated by the government at all stock yards?

9. Are feed charges regulated by the government at all stock yards?

Hon. Mr. MOTHERWELL:

1. This insurance on hogs and cattle is an unofficial charge, not legally enforceable under the Live Stock and Live Stock Products Act but allowed by tacit consent of the parties concerned. The government takes no responsibility for the charge under the act.

2. Answered by No. 1.

3. The persons buying the stock for slaughter.

4. It is insurance against condemnation for disease.

5. The percentage of condemnations in inspected establishments in Alberta is as follows: Cattle .76 per cent; hogs, .27 per cent; sheep, 1.12 per cent. No information as to whether or not insurance applies to these condemnations.

6. No information.

7. No information.

8. Yes.

9. Yes.

REFORESTATION OF INDIAN RESERVES

Mr. SMOKE:

1. Has the government adopted any reforestation policy in connection with lands set aside as Indian reserves throughout Canada?

2. If so, what is the policy so adopted?

3. What acreage, if any, has been set aside for this purpose in each of the Indian reserves?

4. If the government has not such a policy will it frame a reforestation scheme which will take care of the future welfare of the Indian people in this regard, and announce such policy at an early date?

5. What disposition is made of the proceeds of sale of timber on Indian reserves?

6. Are such proceeds placed in capital or revenue account?

Hon. Mr. STEWART (Edmonton):

1. No.

2. Answered by 1.

3. Answered by 1.

4. Question will receive consideration.

5. Proceeds of sale are credited to funds of band owning the reserve from which the timber is sold.

6. Sale moneys are credited to capital account; ground rentals and fees to interest account.

INVERNESS HARBOUR DREDGING

Mr. MACDOUGALL:

1. How much did the government pay, during 1925, to a local dredging company in Inverness town, Nova Scotia, for dredging done by that company in connection with the Inverness harbour?
2. How much work was done by this local company?
3. What was the contract price paid for doing this work?

Hon. Mr. KING (Kootenay): A quantity of 6,982.6 cubic yards, place measurement, was removed by small suction dredge belonging to R. E. McLeod, of Port Hastings, N.S., and work consisted in the removal of a sand bar between the entrance channel and the inner harbour at Inverness. This dredging was paid at the rate of 30 cents per cubic yard, place measurement, the total amount paid being $2,094.78.

UNOPPOSED MOTIONS FOR PAPERS

IMMIGRATION

Mr. HUBBS:

For a copy of the agreement between the government and the railway companies regarding immigration, referred to in the Speech from the Throne at the beginning of the present session.

MIGRATORY BIRDS CONVENTION ACT

Mr. BROWN:

For a copy of all correspondence, letters, and other documents in the Departments of Justice and Immigration, relative to the case of the King vs. Douglas Stuart or Stewart, in connection with the Migratory Birds Convention Act, taken up in the year 1924, tried by Police Magistrate W. G. Scott and brought before the Manitoba Court of Appeal.

NOVA SCOTIA SENATE VACANCY

On the Orders of the Day:

Mr. W. A. BLACK (Halifax): There has been a Nova Scotia vacancy in the Senate for some time. I should like to ask the Prime Minister if it is the intention of the government to fill the position without further delay.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The matter is under consideration. I might inquire of my hon. friend if he would care to be an applicant.

KINGSVILLE HARBOUR

On the Orders of the Day:

Mr. E. J. GOTT (South Essex): I should like to inquire of the Minister of Public Works whether he is aware of the fact or whether the department has been advised that the steamer Pelee could not leave Kingsville harbour on the 16th April on account of the low water. Has any dredging been done at Kingsville this year, or can we expect any to be done? I drew this matter to the attention of the department on the 20th March.

Hon. J. H. KING (Minister of Public Works): In regard to water levels at Kingsville they are, I expect, very much the same as at other points on the lake shores. The water has been receding. As regards dredging at Kingsville this year we have not yet voted supply and the matter is under consideration.

Mr. GOTT: When may we expect some action on the matter?

Mr. KING (Kootenay): A little later.

TREATY BETWEEN GERMANY AND RUSSIA

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): In view of our imperial relationships I should like to know whether the Prime Minister has had any information from London with regard to the effect on the British Empire of the signing of the recent treaty between Germany and Russia.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The answer is no.

LOBSTER FISHING SEASON

On the Orders of the Day:

Mr. A. J. DOUCET (Kent, N.B.): Might I ask the Minister of Marine and Fisheries if a change has been made in the lobster fishing season for the northern section of New Brunswick and Prince Edward Island, and if so, what date has been set?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The third of next month.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Friday, April 23, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Mr. W. G. McQUARRIE (New Westminster): Mr. Deputy Speaker, may I take this opportunity of congratulating you upon your appointment to the honourable office which you now hold. I quite appreciate the fact that you have always been an ardent

supporter of this government, but at the same time I am sure that with your parliamentary experience you will live up to the high traditions of the office.

This budget reminds me of a story which I heard at a Kiwanis luncheon, when I was in my home town during the Easter recess. The story told, by a gentleman from the other side of the line, related to a coloured man named Mose residing in one of the western states. Mose worked on a farm near a small town, where he was considered something of a character. He was remarkable more than anything else for a team which he used. He drove into town on all occasions when there was a celebration and people were struck with this team, which consisted of a steer and a mule. Mose was very proud of the team and he took in good part all the fun which people were in the habit of poking at his outfit. On one occasion a spectator walked up to Mose and asked him how he came to hit upon such an unusual combination. Mose replied: "This am no unusual combination; this am the best team in the world. This team will go where no other team will go. You see, it's this way: that old steer am stone blind and he can't see where he's going; and that mule—well he don't give a darn." It seems to me that the team of this story typifies very well the leader of the Progressive party (Mr. Forke) and the Prime Minister (Mr. Mackenzie King). Metaphorically speaking, the leader of the Progressive party is blind; he cannot see where he is being driven. He does not appreciate the fact that by the course he is taking he is doing an injury to Canada while at the same time he is being driven out of public life. And the Prime Minister does not "give a darn" so long as he can remain in office.

Mr. BROWN: Will the hon. gentleman apply the rest of the story—that it is the best team in the world.

Mr. McQUARRIE: I suppose my hon. friend may be regarded as Mose. Now, the leader of the Progressive party has many sterling qualities which endear him to the members of this House. He is no doubt conscientious to a degree; he is goodnatured and always comes back smiling no matter how hard he may be hit. He is industrious and constant in his attendance while the House is in session. However, he is undoubtedly having his troubles and his position as leader of the third party in the House must be an unenviable one. We are all aware of the difficulty he experienced in maintaining the leadership of his party in the last parliament. Anyone desiring particulars in this regard may refer to the Canadian Annual Review of 1924-25 where, at page 205, he will find a full record of the whole matter. He encountered his main difficulty with some of his supporters who were afterwards known as the Ginger Group, and who objected to the fact that he was always supporting the government, through thick and thin. Well, he is still doing so; he always has been a Liberal, and we may be sure that he will always support the government. Indeed, I fail to understand why he does not cross the floor of the House, like his former chief whip the hon. member for Long Lake (Mr. Johnston), and sit where he belongs. The subterfuge is so obvious that no one is deceived. I notice also that one of his former supporters, Mr. Shaw, who represented one of the Calgary seats in the last House, has gone back to his old allegiance, having been appointed leader of the Liberal party in the province of Alberta. There are in this House, however, some members of the Progressive party who I think are really entitled to be in a third party, because I do not believe they will follow their leader in every course he may pursue. I think we have some hope in this House that some members of the Progressive party will during the course of this session, on some occasions at least, exercise their good judgment.

The other day the leader of the Progressive party said that he had nailed his colours to the mast of his prairie schooner. May I ask him what those colours were? Perhaps I can answer that question myself by saying—Liberal, Liberal, Liberal every time. His remarks on the budget were, as he himself admitted, largely a repetition of the statements made by the Minister of Finance (Mr. Robb); he supports the whole thing, lock, stock and barrel. Sometimes, of course, he is inconsistent, but that does not matter For example, he says that he approves of income tax as being direct taxation, and at the same time he glories in the income tax reductions which are provided for in the budget. He declares he is desirous of assisting the automobile manufacturers; nevertheless he approves of the course taken by the government in depriving those manufacturers of a part of the protection which they think necessary to enable them to continue in business in this country. Again, he praises the government for reducing taxation by approximately $25,000,000, but he says that it is unpatriotic for Canadians to grumble and complain because they cannot get their taxes down to the same level as in the United States. I pause to say that I am one of those who hope to see the day when our taxation will be as low as it is in the coun-

try to the south of us, for it is my opinion that if we wish to build up the population of Canada we must have a taxation which will compare favourably with the taxation levied in the United States.

Does the leader of the Progressive party really think that by assisting the government to retain office he is doing Canada a service? I can inform him that this is not the general impression. I have in my hand an editorial from the Vancouver Daily Province dated January 12, 1926. In passing, I might remark that the Vancouver Daily Province is owned and controlled by the same company which owns and controls the Ottawa Citizen. I hope the leader of the Progressives will take to heart this part of the editorial:

> The despatches from Ottawa make it quite plain that the Progressives have no intention of being anything more than a crutch for the King ministry, if, indeed, they will offer that much assistance. They may help the government to limp along for a month or two, possibly until the end of the session. But they are giving no assurance and are making no promises that are in any way negotiable. The government is to be, in a very real sense, a government in custody. It is to be more than that. It is to be a government hobbled and shackled, and with one leg lopped off. If it wishes to march at all, it must march slowly and circumspectly with one eye on the course it is following, and one—a careful one—on its Progressive crutch, which may jump from under the crippled ministry's arm at any moment and precipitate the Premier and his colleagues in the ditch.
>
> This may be very well from the Progressive point of view. But it is rather hard on the country, which emphatically needs at this moment a government possessed of all its limbs and all its faculties and able to lead the country out of the slough of pessimism in which it has been floundering and on to the heights of prosperity. The thing Canada requires is a government which can run and keep its balance, not one which must falter and creep. It is therefore doubtful if the Progressives will be confering any boon on the Dominion by bolstering up the Liberal party.

I notice that the leader of the Progressives in his speech last week took credit to his party for the revaluation of the soldier settlers land which is proposed in a bill before the House. One might almost think that he and his party were the only ones who advocated this measure. But that is not correct. Members on this side of the House were just as ardent in support of the revaluation of soldier settlers land as any members of the Progressive group, and I myself on several occasions took the opportunity of supporting this policy on the floor of the House, as will be seen by reference to Hansard.

As to the leader of the Progressive group, it is quite true that he is in control of the government, but he is without responsibility, neither does he receive the emoluments of office. As he is Scotch, it seems to me that he might improve his position by stepping across the floor of the House and occupying a seat among the members of the government So much for one member of the famous team. Now what about the other? From time immemorial it has been the custom for history to assign nicknames to monarchs, and in good old England, always very conservative, that custom has been followed even from Saxon days. We find for example, in English history the following familiar titles: Ethelbert the Unready, Edward the Confessor, William the Conqueror, William Rufus, Richard Coeur de Lion, William of Orange, and so on. Now, if the Prime Minister were a king in fact, as well as in name, I believe history would assign him a nickname. I pause for suggestions from hon. members as to what that nickname should be. I have thought of one which to me seems very appropriate—William the Wobbler. I think that nickname would be justified. He has wobbled ever since he became Prime Minister. He is always wobbling. The year before the last election he made a tour of Canada and wobbled all the way, more particularly in his statement of his relations with the Progressive party. It will go down in history—in fact it is already written. I have this history before me and I am going to crave the indulgence of the House while I read a portion of it. It is contained in the Canadian Annual Review. The publication has an advisory editorial committee, and the first name on the list is that of the Hon. Rodolphe Lemieux, the Speaker of this House. So this history cannot be considered to be Tory propaganda. In describing the trip which the Prime Minister took in 1924, the Review, at page 207, says:

> Probably the most interesting of all the Prime Minister's expressions of opinion during this tour, and the one that brought him into the most direct connection with western politics, was his handling of the relations between the Progressives and the government as representative of the Liberal party.
>
> It was noticeable that at first Mr. Mackenzie King was disposed to recognize the Progressives as a separate party, working in fairly close sympathy with the Liberal party. Later, however, he diverged strongly from this division, and argues, rather, that there was no need for a separate group, such as the Progressives, but that all sections of the west at variance with "Toryism" and in sympathy with the main policy of the Liberal party, particularly on tariff questions, should unite under the government leadership.
>
> This change of position can readily be illustrated from extracts of speeches by the Prime Minister in several centres visited. At Winnipeg he warned his audience against the creation of factions in the ranks of those "opposed to Toryism." What Canada needed for her development, he declared, was a progressive Liberal policy, and the greatest misfortune that could overtake the country would be to let

the "reactionary forces of Toryism," again get control, simply because those opposed to them were divided. He added: I believe it would be much better for Canada if we made the Liberal and Progressive forces as one, and if the causes they have in common were advocated from one end of Canada to the other."

At Brandon, Manitoba, he made it clear that the government had not acted "through the pressure of the Progressives of western Canada." "That statement is not true," he said. "We have done what we have done because it was part of our platform, because we said we would do it, if we were returned to power." He went on to refer to a pledge made by Mr. Crerar, and afterwards by Mr. Forke, that the Progressives would give honourable support to the Liberal party where the policies of the two were the same. This pledge had been honourably observed. He proceeded: "My task would have been easier had the Progressives in the House been Liberals instead of Progressives." He referred again to his proposal, made at Winnipeg, that the time had come, in the interests of western Canada and the whole Dominion, when the Progressives and the Liberals should seek out a common ground on which to stand in opposition to Toryism. Mr. King still seemed to hold out the idea of a combination of the two parties, declaring that he wanted to emphasize that "if the Liberals and Progressives are united from the Atlantic to the Pacific, there is going to be a long regime of Liberal-Progressive legislation in this country which will help to advance the interests of not only western Canada, but of the whole Dominion. . . . . It is going to be a poor consolation to the Progressives and a poor consolation to the Liberals to sit together for the next ten or fifteen years and see Mr. Meighen and his high protection group change the fiscal policy of this country—that is what would happen if we are divided."

By the time he had reached Saskatoon, however, two days later, he appeared rather inclined to set forth the idea of the west rallying to the support of the Liberals as a party, rather than having a type of working agreement with each operating as a separate organization. He intimated that such an arrangement would not be as effective as if one party alone represented western feeling. At his Saskatoon meeting he declared that the administration of the country and the passing of suitable legislation would be greatly facilitated by a Dominion-wide organization of right-thinking Liberal-minded persons, in place of factions striving for the same ends in different directions. "At present", the Premier declared," only three westerners hold porfolios. Should the west unite and rally to the standard of Liberalism, it would be possible to secure a greater measure of support and a greater measure of success in securing the fulfilment of demands." He referred pointedly to there being only one Liberal member from Saskatchewan, with the other fifteen seats "solidly Progressive, and, as such, outside the councils of the administration", and urged the people of Saskatchewan to think well of the situation before they went to the polls. Mr. King again maintained that the concessions made to the west in tariffs, the Crowsnest agreement, and branch lines, had not been brought about nor forced on the government in any sense by the Progressive party.

The Prime Minister also made another speech at Saskatoon, to which I would like to refer. This extract is taken from a Canadian Press despatch dated October 7, 1925:

Appealing then for Progressive support, Mr. King said that when at the last election, there was a possibility of either of the three parties forming an administration, Progressives were right in supporting the candidates who best represented their ideas. But

[Mr McQuarrie.]

if they wished those ideas to be given expression in the present contest, it was of no use voting for Progressives.

Progressives had no hope of forming an administration. "If," he added, "you support a party confined to one part of the country, you immediately help to put that part of the country, so to speak, in opposition to the rest of the country."

Mr. King held that the attitude of Progressives in the last session, instead of helping the administration, had hampered it in a hundred and one ways. "We have had co-operation, very helpful co-operation, in some cases," said the Premier. "I can tell you as Prime Minister that every time the government was face to face with some western problem, we had to face the false charge that we were acting as we were because we were living in the grace of the Progressives or because we wanted their support—which made it very difficult for us to do many of the things we would have liked to do.

I quote again from the Canadian Annual Review:

At Prince Albert, the following day, the Premier came back again to the subject, and declared that "it was most unfortunate that we should have been separated into two parties, when our policies were the same. There is no use in being divided into two groups on policies where we should be united against the forces opposing us .. . . What about the Progressives? It doesn't make my task any easier with respect to the Hudson Bay railway that they are outside the Liberal party. No group of men can threaten the present government that they will put them out of office because they will not do this or that. But the statement that these things the Liberal government has been doing is to get Progressive support has made it very difficult to get millions more for western Canada when the people of eastern Canada can't get the things they need."

It was at Vegreville, Alberta, on the following day, that the Prime Minister suggested that the Progressive party should come to an end. With the record of the present administration before the western people, he declared, he felt there were no further grounds for "Progressivism or any other third party" in Canadian politics.

If that is not wobbling I do not know what wobbling is. Then we have the famous Richmond Hill speech. I am not going into that in detail, but when you compare the position held by the Prime Minister to-day with the statements made during that speech I think you will agree that he has wobbled. We heard him the other day addressing a delegation in front of the parliament buildings. It was a splendid delegation; no one could look into the faces of those people, who conducted themselves in the most creditable and orderly manner, and come to any other conclusion than that they were in earnest and that they considered the situation very serious indeed. What did they get from the Prime Minister? He came out to address them, and it was announced that he would bring his cabinet ministers with him, but they were not there. A great many announcements were made to that delegation for the purpose of keeping it there until

the Prime Minister could come out from his conference with representatives of the delegation. The very capable man in charge made announcements from time to time, one of which I remember that the conference was over and the Prime Minister was going out—going out from the conference and coming outside. Someone in the crowd called out, "Going out of office?" which question seemed to call forth a good deal of applause. The man in charge answered, "I am not a prophet." When the Prime Minister came outside he told them it was a nice day; he was glad it was a nice day, and he hoped they would enjoy their visit to Ottawa. He said, "You know, we have been getting information from your representatives; we have been told things we did not know before; we have been finding that this is going to have a very important effect on the automobile industry and on a great many people. It is a strange thing that no member of parliament has moved a resolution condemning the government for the reductions made in the automobile tariff. Any member of parliament can rise in his place and move an amendment."

Is that statement correct? If I understand parliamentary procedure, Mr. Speaker, only one amendment can be moved to the budget. You will correct me if I am wrong, but the Prime Minister certainly gave these people to understand that it was open to any member of this House to move an amendment. In that respect I contend that he misled those people. But what else did he tell them? He told them the matter would receive consideration, and gave them to understand that the fault was not altogether with the government, the inference being that it was largely with the Conservative party, because Conservative members of this House had not given him the necessary information on the subject. The exact contrary is what we are claiming here; we claim that the Conservative members had given him information, and that further information will no doubt be given in a clear and concise way, to show how these reductions will affect the automobile industry, and the country as a whole. As far as I am concerned I think that the amendment which has been submitted by the hon. member for Fort William, covers the situation completely, and brings the whole matter before this House in a very clear and definite way. I shall not take the time of the House to read the amendment that is now before the Chair.

The Minister of Finance (Mr. Robb), on the other hand, I believe, told the delegation that so far as he was concerned the government was going to stand to their guns, that is that no change would be made. So I take it that the Prime Minister will have to do a little more wobbling if he is going to retain his Minister of Finance and at the same time make any changes in the budget. Members who were in the last parliament will remember the famous Petersen contract. They will remember how the Prime Minister stood up in this House and stated that the government would stand or fall by the Petersen contract. They also know that the Prime Minister instructed his majority on the special committee which dealt with the Petersen contract to sidetrack the contract for another year at least, to throw it out of the House, and they know that as a consequence poor old Sir William Petersen died after hearing the result. Gentlemen may laugh, but it is not a laughing matter. It is one of the most tragic incidents that ever happend in this city. There was the Prime Minister wobbling again.

Then we were to have Senate reform. You know what the Prime Minister said on the hustings about Senate reform; you know what he said in this House when the Senate did something that he did not highly approve of. He said: We will reform the Senate. But have you heard of any Senate reform taking place this year? Not a word about it. The Prime Minister had various plans for reforming the Senate, but now he has come to the conclusion that the proper way to reform it is to allow Nature to take its course. On the public platform at various places he has called attention to the fact that a number of the old senators are dying off, and that as he has an opportunity, he will appoint to the Senate his own supporters who will see that the Senate is reformed.

I could go on, Mr. Speaker, and give you many illustrations of how the Prime Minister has wobbled, and is still wobbling, and I think that if he is christened William the Wobbler, it will be most appropriate. Not only does the Prime Minister wobble, but his supporters wobble also. His supporters wobbled during the last election in many constituencies. I, for instance, was opposed by a Liberal candidate who openly advocated protection. Can you believe that? He openly advocated protection. I have here a collection of clippings from newspapers which I have put together, and which tell a very interesting story. I have here, for instance, a number of paid advertisements which my Liberal opponent inserted in the newspapers in my town. He, like other Liberal candidates out there in British Columbia, cannot be charged with any undue modesty because he adopted as a slogan for himself The Man of Destiny—and

the Hour for New Westminster, and goes on to say:

A. Wells Gray, Liberal Candidate for New Westminster, Federal Election October 29, 1925. Born in New Westminster, October 6, 1876, he is a "native son" of whom New Westminster may well be proud. His activities in many fields of endeavour have been marked by ability far above the ordinary, and have reflected fame and honour upon his native city.

I would like to read now a little item from one of his paid advertisements, and, as I said, there were many of them:

In voting for Wells Gray for New Westminster the electors are voting for a safe and sane policy of moderate and reasonable tariffs which will foster and encourage trade and industry throughout the Dominion, will strengthen and encourage our foreign trade, and will continually open new markets for our produce. The issue is not between high protection on one hand and free trade on the other. The issue is between a policy of restrictive and prohibitive high tariffs which might benefit a few special interests and a safe system of moderate tariffs successfully promoted and applied by the Mackenzie King. government—a policy which inflicts no hardships, reduces the cost of living to the wage-earner, fosters and encourages industry and commerce, and protects where protection is necessary.

Mr. CHAPLIN (Lincoln): You might read that over again for the benefit of the Saskatchewan bunch.

Mr. McLEAN (Melfort): And emphasize the word 'moderate'—not 'high' tariffs.

Mr. McQUARRIE: Instead of doing that I shall read from another advertisement of my Liberal opponent:

The Liberal policy of reasonable tariffs protects the farmer wherever protection is necessary, and protects not only the farmer—but the whole mass of workers in the Dominion against an artificial and unnecessary increase in the cost of living. Do you know that there are almost forty articles of farm produce on the present customs tariff in force in Canada? The Canadian farmer is protected by Mackenzie King and if the necessity arises at any time these tariffs could be amended to suit the occasion.

Here is another one:

Fair and reasonable tariff rates which will promote trade and commerce and open the markets of the world to our products—adequate protection for producer and consumer alike, without increasing the cost of living.

I do not know how the Liberal candidates were in other places, but my opponent, Mr. Gray, seemed to find it necessary to come out for protection, and he made a very close run of it too; I think his statements in regard to protection helped him considerably.

There is another little thing in connection with the election in New Westminster that I might mention. They had a very convenient arrangement there when they were making up the voters' lists, because next door to the registration office where the officials were making up the lists was another office which served as the Liberal campaign committee room. Outside the office where the voters were being registered was the official proclamation, but the next office had no sign on it at all. People thought that the whole thing together was the registration office, and some would go into the Liberal committee room thinking that was the place to register. They would then be escorted by the people in charge of the committee room into the next office where the registrations were taking place. As soon as registration was over, the Liberal committee rooms were enlarged by taking in the office where the registration had been taking place. Now that kind of an arrangement, it seems to me, is not very decent, to say the least.

Something has been said by the leader of the Progressives in regard to the income tax changes. That subject is necessarily involved in a discussion of the budget. Personally, I am not altogether satisfied with the changes which have been made. I do not say that I am not in favour of reducing the income tax —not at all; I should like to see it reduced still further—but I do say that the changes made will not have the effect that some people in this country imagine they will have. Comparatively speaking, there are very few people in Canada who will be affected by the extension of the exemption. There are very few people in this country who have to pay any income tax at all, because they are not making enough money. Consequently, the great majority of the Canadian people will not be affected by the increased exemption. On the other hand there are people who are going to be adversely affected, people who have been thrifty enough to accumulate a little money, and to invest it in a safe, sane and conservative manner. Those people are going to be adversely affected. It seems to me the result of that will be to discourage the investment of money because individual investors will be taxed to the full extent, although corporations have their tax reduced by one and a half per cent. This will discourage the investment of surplus funds in Canadian industry where it is so much required. A communication dealing with this phase of the subject appears in the Monetary Times of the 23rd instant, and is worth reading.

Mr. BROWN: We have all read it.

Mr. McQUARRIE: I hope you have taken it to heart. There is a point that appeals to me, and that is in regard to the exemption for children. We now have an exemption of $500 for children up to the age of eighteen

years. I think that age should be increased to at least twenty-one years because, those who have to educate their children, particularly if they are trying to give them a higher education which is desired where possible, know that the cost of maintenance, instead of decreasing after eighteen, really increases up to the age of twenty-one years or more. I would suggest therefore that an exemption be granted for children up to the age of twenty-one years. I think also that there should be exemption for life insurance premiums. At present income tax is paid on these premiums. Now, I think it is advisable to encourage the people of this country to take out life insurance. I am not in the life insurance business, by the way, but I carry some life insurance; and in most of the provinces, and in a great many other countries, life insurance premiums are exempt. Then there is the provincial income tax. At the present time we are paying income tax to the Dominion on the amount that we pay to the provincial government for income tax. Then I think also the exemption for municipal taxes should be restored. You may not have noticed it, Mr. Speaker, but if you will refer to the ways and means resolutions you will find:

That the carrying charges or expenses of unproductive property or assets not acquired for the purposes of a trade, business or calling or of a liability not incurred in connection with a trade, business or calling shall not be allowed as a deduction in determining income.

This means that on all unproductive property we will now have to pay income tax on taxes which we pay to municipalities. I would suggest another thing, and that is that the assessment should be made by the income tax department, and not by the taxpayer himself. It is very difficult for most of us to make out our income tax statement, but it is still more difficult for us to know how much taxation we should pay, and if we do not pay a sufficient amount, we are fined.

Now in regard to income tax, and referring more particularly to the remarks of the leader of the Progressive party on this subject and his support of income tax, I would point out that in some other dominions the income tax is being very rapidly diminished, and it is the intention of the governments of those dominions to abolish it altogether. That is the case in Australia.

4 p.m.

Mr. HEAPS: Is there not an income tax in most of the states?

Mr. McQUARRIE: In Australia?

Mr. HEAPS: Yes.

Mr. McQUARRIE: I am not referring to that, I am referring to the federal income tax in Australia.

Mr. HEAPS: The hon. gentleman just referred to the fact that the Australian government was considering abolition of the income tax.

Mr. McQUARRIE: Yes.

Mr. HEAPS: Is not Australia considering the abolition of the income tax because the states have their own income tax?

Mr. McQUARRIE: If you want me to go into that I will have to read an article I have here. I did not intend to read it, I do not wish to take up too much time, but the matter is discussed in an article which is a reprint from Industrial Canada, of April, 1926. If I could put this on Hansard without reading it I would gladly do so, but I do not suppose the House would consent. The article says:

In four years Australia has reduced its income tax by forty-seven per cent, calculated on a per capita basis. In 1921-22 it derived £16,720,862 ($81,602,714), from this source; in 1924-25, £11,136,344 ($54,122,631); and in 1925-26 the estimated revenue is £9,650,000 ($46,890,000). Eventually it is proposed to eliminate this tax altogether.

The article continues:

How is the revenue replaced that has been lost by the reductions in this direct form of taxation? The following figures will show.

I ask the permission of the House to put the figures on Hansard without reading them:

Australia's Customs Revenue

	£	$
1921-22..	17,328,310	(84,215,586)
1922-23..	22,597,306	(109,822,907)
1923-24..	25,177,882	(122,364,506)
1924-25..	26,405,161	(128,329,082)
1925-26 (estimated) ..	26,500,000	(128,790,000)

Further, the article states:

While in 1921-22 the income tax yield was almost equal to the customs revenue; on 1925-26, the estimate for income tax is only a trifle more than one-third of the estimated customs revenue. Or, to quote the Sydney Daily Telegraph: "Whilst the federal income tax, which was first imposed to meet war expenditure is steadily diminishing the customs revenue has been steadily growing, and the latter fact has been mainly responsible for the large surpluses which have been obtained during recent years.

The article goes on to speak about a record revenue, and then refers to tax reduction:

At the close of the last financial year (1924-25), Doctor Earl Page, the Commonwealth treasurer, was able to provide for a twelve and a half per cent reduction in income tax, and for other taxation remissions amounting to £2,500,000 ($12,150,000) annually; for an increase in invalid and old age pensions from 17s. 6d. ($4.27) to £1 ($4.86) per week, and for debt redemption of £1,500,000 ($7,290,000):

How was this brought about? It was brought about by changes in the tariff, by increased tariff duties. The article goes on to state:

It is stated that the changes made last August in the Australian customs tariff have already had a profound effect in stimulating local manufacture, while they have certainly tended to increase revenues. In introducing the new tariff schedule, which gave substantial increases of duty on more than fifty items, Mr. Pratten, Minister for Trade and Customs, stated that within two years from 25,000 to 30,000 additional employees would be required for industrial development resulting from the new duties. Assuming that five persons were directly and indirectly dependent upon each wage-earner, from 100,000 to 150,000 persons would be advantaged. The new schedule reflected the desire of the Commonwealth government to assist industries which could be developed in Australia.

Meanwhile, the position of the primary producers of Australia is being steadily improved, not through tariff reductions which would be detrimental to industry, but through the introduction of better and more efficient marketing methods which tend to stabilize prices on a profitable basis. A federal department of markets—

And so it continues about the department of markets. It goes on:

The number of factories in the commonwealth in the fiscal year 1923-24 was 20,189; the number of hands employed, 429,990; total value of equipment, £182,114,600; value of materials used, £197,038,726; and the total value of output, £348,577,583. The total number of persons employed in manufacturing is nearly equal to that of those employed in rural occupations and in both New South Wales and Victoria it actually exceeds the numbers so employed. In Victoria, for instance, rural occupations show 105,933 males, 46,218 females, while in manufacturing there are employed 107,578 males and 48,584 females.

This is the way in which their tariff policy works out in Australia. The article goes on to say that the tariff increases industry. We start to reduce our tariffs in this country when they are increasing them in Australia and also in other countries. I have in my hand an extract from the Vancouver Province of the 20th February of this year which states:

A general revision of Japanese customs tariff is now being considered by the Diet. The measure provides for a general upward revision of import duties, with an increase of 50 per cent to 100 per cent or more over present rates on many kinds of machinery and electrical goods.

It would be better for us if instead of decreasing our tariff in many instances, we were to increase it. That, of course, should be done in a proper, scientific manner. I do not believe in any industry being singled out; I do not believe, for instance, in picking out the automobile trade and cutting the tariff on automobiles. If we are going to revise our tariff, that should be done in a scientific way by a properly qualified board. I wonder what the hon. member for North Bruce (Mr. Malcolm) would say if this government had done the same thing in regard to the furniture business. I do not think he would approve if instead of reducing the tariff on automobiles they had reduced the tariff in connection with the furniture business. I have in my hand a letter from a man in Vancouver who, in quite a large way, is engaged in the same kind of business as the hon. member for North Bruce. He says:

[Mr McQuarrie.]

My policy would be as follows:—

Providing it could be arranged, I would suggest, a high tariff put on goods coming into Canada for a period of 25 years, to protect the interests of the manufacturer, the farmer, the worker, and anyone who has any money interest in Canada.

I believe that this policy would at once bring manufacturers into Canada, and by increasing your manufacturers, you would automatically increase your farmers, as these people would have to be fed. This would mean that instead of having two million people working in United States to make goods to ship into Canada, these people would move over into Canada to manufacture the goods, and thus avoid the high tariff. This would mean the automatic development of our country.

Suggestion No. 2:

I would appoint a tariff commission, similar to the Canadian Freight Association, so that they could raise or lower a tariff at once, where necessary. They could visit the different factories and manufacturers in Canada, and find out the different causes why the articles could not be manufactured in this country, then if it was necessary that the tariff should be raised on that article, the tariff commission could immediately do so. In the same way, if anyone was taking advantage of the business in Canada, the tariff commission could lower that tariff and make him come up to scratch.

Suggestion No. 3:

I would suggest also to have an excess profit tax, controlled solely by the tariff commission, and if a company is taking advantage of the tariff for excess profits, I would put a certain levy, as a maximum of profit—say 12 per cent—and if that company make a profit on their year's business of 20 per cent I would allow them 12 per cent and possibly 2 per cent for surplus, and have the 6 per cent handed over to the government to help the development of the whole country.

Our tariffs, in my estimation, should be about 25 per cent greater than the tariffs levied by the United States on goods coming into their country from foreign lands. If that was done we would immediately start to develop manufacturing industries in Canada and get production. We would be able to ship any surplus to China and Japan and I feel absolutely convinced that if our government studied the conditions of the country, we could easily increase our population, and make Canada a great country.

That gentleman was a life-long Liberal prior to the last election. In the last election he supported me and I think he will support me next time if I am a candidate. If the government really wish to bring down the cost of automobiles if they consider that prices in Canada are too high as compared with prices in the United States, they should repeal the sales tax and the luxury tax. That would be a good way of doing it, and it would save money to the people who pur-

chase automobiles. The sales tax, the luxury tax and other charges paid to the government amount to a considerable sum in respect of automobiles alone. I have here an advertisement published by the automotive industries of Canada in this morning's Journal, in which it is shown that last year the Canadian manufacturers of motor vehicles and parts paid to the government, in customs duties on parts and materials, some $10,000,000, while in sales, excise, and stamp duties they paid $7,400,000.

Mr. KING (Kootenay): How much of that would be rebated to the companies?

Mr. McQUARRIE: None at all.

Mr. KING (Kootenay): Are you sure?

Mr. McQUARRIE: None of this would be rebated.

An hon. MEMBER: How much was collected in luxury tax?

Mr. McQUARRIE: I have not the details; someone else will give that. It seems to me that something such as I have suggested might be done, and certainly it would be more effective than the proposal the government now makes, if it is the intention of the government to help the people. It has always been the policy of the present administration to reduce the cost of living although they have never succeeded in doing so. But if, as I suggest, they would take off the sales and luxury taxes then everyone would be relieved.

I am not going to enter into any exhaustive discussion of the reduction in automobile duties. That is something which no doubt will be handled by someone much more competent than myself. My only point—and I want to make it perfectly clear—is that the automobile industry has been very unfairly treated. As stated in the amendment proposed by the hon. member for Fort William (Mr. Manion), we had a distinct promise on the part of the Prime Minister (Mr. Mackenzie King) on the hustings, and a definite promise made in the Speech from the Throne, that any tariff changes that might be introduced would be made only after proper consideration of such industries as might be affected. For this purpose we were told that a tariff board would be appointed, as in fact it has been. We had that statement in the Speech from the Throne, and we actually had the tariff board constituted. Yet, a few days afterwards, the budget was brought down with a very substantial reduction in the duties on automobiles. I say, the automobile manufacturers have been badly treated. They were just as much entitled as anyone else to lay their side of the story before the tariff board, and they had a right to fair consideration. I do not say that possibly there should not be some reduction in automobile duties; I am not saying that at all. I do not pretend to be an authority on the subject, nor do I think that the members of the government are qualified to decide the question. It may be, however, that they have no confidence in their own tariff board. Certainly it is strange that this reduction should have been made so soon after the board was appointed.

You will observe, Mr. Speaker, that the chairman of the tariff board was a member of the cabinet in the last parliament. He was a very prominent member of the government and one who was thought a great deal of in this House. He had wearied of his job and did not wish to continue in public life; as a matter of fact, he is not in the very best condition to live a strenuous life. He therefore declined to carry on in the cabinet. No one can say that the government could not have found him a seat somewhere. It might have been difficult for him to get elected in Ontario, but he might have gone to Quebec or Saskatchewan. However, after hesitating a long time, and after, as I have no doubt, a great deal of pressure had been brought to bear upon him to continue in the government, he decided that he was not equal to the task. Yet the government appoints him to the position of chairman of the tariff board! Surely that will be an arduous life for him, and I cannot see how under the circumstances we can expect him to be anything more than a tool of the administration. He will not be any different in that position than if he were a member of the present government.

Mr. KING (Kootenay): It is hardly fair for the hon. member to suggest that the chairman of the board will be but a tool of the government. We all know him for what he was in this House, and he is known throughout the country.

Mr. MEIGHEN: May I suggest that if the minister wishes to make a speech he will have an opportunity.

Mr. McQUARRIE: I have no intention whatever to be disrespectful; indeed, Mr. Speaker, I have the greatest admiration for the chairman of the tariff board. But what I want to know is why this government, suddenly and without any warning whatever, took this important matter away from the board. Why should they have done so if they had confidence in the board? I want to see a tariff board which will be above and outside of politics, a board which can be relied upon

to give a square deal to everyone. In any event, I say that the automobile industry was entitled to a chance to place its case before the board even though the government were not in favour of these manufacturers.

We are interested in certain tariff matters in British Columbia, and I regret to say that some questions in this regard the government have not seen fit to consider. I do not know whether they will be referred to the tariff board or not. Time after time in the last parliament, members on this side of the House brought to the attention of the government the unfair situation which the farmers of the country had to face under the tariff, particularly in relation to eggs and butter. I remember that on one occasion, when the estimates of the Minister of Agriculture (Mr. Motherwell) were under consideration, I called his attention directly to the fact, and the only reply he volunteered was this. He said, "I am more interested in pulling down duties than in raising them." Two members from British Columbia, the former member for Fraser Valley, Mr. Munro, and the former member for Cariboo, Mr. McBride, stood up in their places and belittled the statements I had made in emphasizing the seriousness of the situation. Right here I want to remind the government that those two gentlemen were defeated at the last election; when they went back to their constituents they received their reward for the stand they had taken in this House on that question.

Now, what is the tariff in this particular? I am going to put on Hansard, with the permission of the House, the tariffs of Canada, Australia and the United States respectively on certain commodities. For the moment I will refer to two,—eggs and butter. The United States tariff on eggs is eight cents per dozen as against our tariff of three cents, while their tariff on butter is twelve cents, having been increased recently from eight cents. The Canadian tariff is four cents.

In regard to the United States tariff, I think it is a crime that we should place our farmers at such a disadvantage with relation to their American competitors; our tariff at least should be equalized with that of the United States. My constituency borders on the United States, I represent quite a large number of farmers, and they have probably some of the best farms in Canada. It is a crime that when they wish to send their eggs over to the United States they have to pay a duty of eight cents a dozen, whereas farmers in the United States can send eggs into this country at three cents a dozen. If our farmers want to send butter across the line they have to pay twelve cents a pound duty, while we allow American butter to come in under a duty of only four cents a pound. I have contended all the way through that our tariff should be equalized with that of our neighbours. The government might have fixed this with respect to butter and eggs without reference to any tariff board, because they know the present condition of affairs is an absolute injustice to our farmers.

Mr. KING (Kootenay): Do I understand, Mr. Speaker, that my hon. friend proposes putting the contents of that pamphlet on Hansard?

Mr. McQUARRIE: No, just the statement as to the tariff on certain items. I will send it over to the minister if he wishes.

The tables are as follows:

—	Australian Tariff	Canadian Tariff
Fresh and smoked meat	5c. per lb.	½c. per lb.
Canned meat	5c. per lb.	15%
Onions	$1.50 per cwt.	Free
Canned fruit in pint tins	$1.00 per doz. or 8½c. per tin or lb	½c. per lb.
Canned fruit in qt. tins	$2.12 per doz. or 17c. per tin of 2 lbs.	½c. per lb.
Fruit pulp when imported for manufacture of jams or preserves	25% ad valorem	Free
Canned vegetables	30%	Free
Fresh vegetables	50c. per 100 lbs.	Free
Beeswax	2c. per lb.	Free
Honey	4c. per lb.	1c. per lb.
Butter	6c. per lb.	1c. per lb.
Cheese	6c. per lb.	Free
Eggs	18c. per doz.	Free
Dried apples and peaches	8c. per lb.	10%
Lard	4c. per lb.	Free
Tallow	$1.00 per cwt.	10%

U.S. Customs Duty		Can. Customs Duty
42c. per bushel	Wheat	12c. per bushel
15c. per bushel	Corn	Free
$2.04 per bbl.	Wheat flour	50c. per bbl.
$4.00 per ton	Hay	$2.00 per ton
35%	Fruits	25%
50c. per 100 lbs.	Potatoes	35c. per 100 lbs.
8c. lb.	Butter	4c. lb.
5c. lb.	Cheese	3c. lb.
8c. doz.	Eggs	3c. doz.
40%	Cattle	25%
100%	Woollens	27½%
55%	Silk fabrics	15%
75%	Artificial silk fab.	15%
75%	Woollen clothing	27½%
75%	Woollen hose	25%
33⅓%	Hats	22½%
75%	Blankets	22½%

In regard to Australia and our other sister dominions, I am absolutely in favour of increasing our trade and of doing anything reasonable to encourage inter-empire trade; but I believe that any trade agreement negotiated with our sister dominions should be fair to Canada. But what do we find? In relation to butter, the Australian tariff is six cents a pound; our tariff is only one cent a pound. On eggs the Australian tariff is eighteen cents a dozen; our tariff allows in Australian eggs duty free. What is the reason for this discrimination against our dairymen and poultrymen? We have been told it is because we wanted to get from Australia concessions for other Canadian industries. All right. I have had telegrams from pulp mills and other concerns in British Columbia that feared we desired to abrogate the Australian treaty. I am not in favour of abrogating the treaty at all, but I am in favour of so amending it as to remove any discrimination against our own producers. We are told: Yes, but there will be no butter or eggs coming to Canada from Australia or New Zealand—of course the House is aware that the government extended the Australian treaty provisions to New Zealand—and none of our butter and eggs will ever go to those sister dominions. Why not? Any one who is familiar with the facts knows that the ocean rates from Vancouver to Sydney, Australia, are no higher than the rail rates from Calgary to Vancouver; and of course the ocean rates to New Zealand are lower. It is all right for members of the government to say to our farmers: There is nothing for you to worry about, there is not going to be any business in these commodities. If so, I want to know why these items were put in the tariff at all. I repeat, Sir, the tariff on our butter and eggs going into Australia should be at the same rate as our tariff on similar Australian commodities entering this country. I take it that our farmers know more about their business than even members of this government assume to know. What do we find these farmers are doing? Are they worrying about this situation, or are they not? Well, they have been holding mass meetings of their institutes and associations and have been protesting most vehemently against the unfairness of the present situation. Why? Do you suppose they do not know their own business? Do you suppose they do not know whether there is any danger to their prosperity? Do you not realize that those men are aware of the real significance of the present state of affairs? I say that when the government finds them protesting so emphatically it should pay some attention to their protests. I have before me a number of resolutions, but I am not going to take the time of the House to read them all, I will merely enumerate a few. I have a resolution passed at a mass meeting of poultrymen held at New Westminster January 26, at which were represented many thousands of poultry producers of the mainland of British Columbia. In my constituency and in other constituencies there are a great many returned men who were encouraged to go into the poultry industry and who have done their best to make it a success, but now they are being slapped in the face by this government. I have also a resolution of the Surrey Farmers Institute, passed at Cloverdale, B.C., January 12, 1926; a resolution passed at a mass meeting of poultrymen held at Duncan, B.C., January 5, 1926, representing the poultrymen of Vancouver island; resolutions passed by the Strawberry Hill Poultry Association December 1, 1925, and January 25, 1926; a resolution passed by the Courtney Comox Board of Trade November 13, 1925; a resolution passed by the Comox Creamery Association November 12, 1925, and a resolution passed by the Harmsworth District Farmers' Association November 19, 1925, as to grading. All those resolutions referred to eggs. Then I have a resolution passed by the British Columbia Dairymen's Association at meetings held at New Westminster January 21 and 22, 1926, in regard to butter.

Now, the same subject is of concern to the farmers of Quebec, for I hold in my hand this despatch from Three Rivers, Quebec, dated February 26, 1926:

> A plea for adequate protection for Canadian butter against foreign competition was made this evening by Frank Byrne, of Charlesbourg, first vice-president of the General Breeders' Association of Quebec, at the closing meeting of its thirty-fourth convention. "If we

could produce 15,000,000 pounds of butter more annually," said Mr. Byrne, "we could sell them, but a difficulty arises in the way of success. Other countries threaten to send their butter here. We ought to hit foreign butter as hard as foreign countries hit our butter. Duties as high as those established by foreign countries ought to be imposed here, and I hope the government will see to it."

I desire to place on record one of the resolutions regarding eggs, to which I have already referred. This resolution was passed at a mass meeting of poultrymen held at New Westminster, British Columbia, on January 12, 1926:

Resolution No. 1:

Whereas, eggs coming into Canada from United States points under a tariff of 3 cents per dozen, are making it unprofitable for British Columbia poultrymen to send their eggs to the prairie and eastern Canadian markets;

Be it therefore resolved:

(a) That the federal government be requested as an act of justice to Canadian poultrymen to raise the tariff on United States eggs coming into Canada to 8 cents per dozen, which is the tariff imposed on Canadian eggs going into the United States.

(b) That the federal government be requested to make the Eggs Marks Act of British Columbia applicable to the Dominion of Canada as a whole.

And be it further resolved that copies of this resolution be sent to Hon. W. R. Motherwell, Minister of Agriculture at Ottawa, Hon. E. D. Barrow, Minister of Agriculture for British Columbia and to each of the federal members for British Columbia.

Resolution No. 2:

Whereas, under the Australian-Canadian treaty eggs from Australia are allowed to enter Canada free of duty;

And whereas under the Dominion of Canada egg grading regulations it is possible that eggs from Australia, raised under summer conditions, will be able to enter Canada as fresh eggs at a time when winter conditions prevail in Canada;

And whereas this will increase the already serious competition which Canadian poultrymen have to meet from eggs from the United States;

Be it therefore resolved:

That the federal government be requested to add to the present definition of the word "fresh" the length of time during which eggs intended for sale as "fresh" in Canada may be held when in transit at a temperature of 35 degrees Fahrenheit or less.

And be it further resolved that copies of this resolution—

And so forth.

Resolution No. 3:

Whereas there is reason to believe that an effort will shortly be made by certain produce dealers in the prairie provinces to secure the modification of the present egg grading regulations, which modification amounts practically to the abandonment of egg grading;

Be it resolved:

That the federal government be requested to make no alteration in the present regulations—

You will notice that this resolution does not specifically call for the increase in the Canadian duty against Australian eggs to equal the Australian duty, but that is covered by some of the other resolutions. I wish now to read the resolution passed by the British Columbia Dairymen's Association:

I beg to advise you that at the annual convention of the British Columbia Dairymen's Association, held on January 21 and 22 last at New Westminster, the following resolution was passed:

Resolved that whereas, at the close of its last session the federal parliament rushed through legislation giving to Australia a preferential tariff on cheese and butter;

And whereas this legislation is likely to discourage the production of cream during the winter months in this country, owing to the maintenance of low prices to meet the competition of Australian products moving to our ports by low ocean rates against our high railway rates;

Be it resolved that this convention goes on record by voicing its disapproval of this concession, and that such action be taken as may be deemed necessary for the protection of our dairy industry.

I have here a return tabled on a motion made by myself, showing the importation of eggs from the United States and other places. With the permission of the House I will place these tables on Hansard:

Countries from which Imported	Fiscal Year ended March 31, 1924		Fiscal Year ended March 31, 1925		Month of December, 1925	
	Quantity	Value	Quantity	Value	Quantity	Value
	dozen	$	dozen	$	dozen	$
Eggs in the shell—						
United States	6,454,313	1,961,477	2,564,551	917,100	33,133	16,533
Australia	.....	.....	.....	.....	.....	.....
China	1,150	174	77,908	15,243	116	31
	pounds	$	pounds	$	pounds	$
Eggs, n.o.p.—						
United States	No statistics prior to 1925	.....	413,383	90,729	800	640
Australia	.....	.....	.....	.....	.....	.....
China	.....	.....	560,257	89,545	157,616	25,395

All I ask, and all any reasonable person could ask, is that we be placed on a business-like basis in our relations with the other dominions. Give our farmers a fair chance and they are prepared to compete with the world, but under present conditions they are at a very great disadvantage.

I would like now, Mr. Speaker, to refer for a moment to the question of immigration. I am not going to discuss at any length the

question of oriental immigration; I have referred to that on a number of occasions, and any hon. member who is interested may look up Hansard and read my remarks. Other hon. members are prepared to deal with this subject, I believe. I wish to say, however, that the people of British Columbia are not satisfied with what is being done by this government in the way of effective restriction. The resolution which I moved in 1922 providing for exclusion was defeated, because the government promised effective restriction and the then leader of the Progressive party, Mr. Crerar, stated that he was prepared to give the government a chance. All the hon. members from British Columbia are a unit, I believe, in demanding that there be exclusion, but on that occasion my resolution was defeated, because the government said, "We will give you effective restriction of such a nature that it will practically amount to exclusion, although the word exclusion is not used and therefore will not give offence to Japan."

The people of British Columbia are not satisfied with the way that promise is being carried out. I have a great mass of material which has been sent to me during the present session, particularly from the Oriental Exclusion League of Victoria, covering this question. That league, which is very active, has proposed that a royal commission be appointed to investigate the whole question of oriental immigration, as well as that of orientals already in Canada, and on that royal commission they believe British Columbia should have the majority representation. That is a matter for consideration. The league also suggests that an effort be made to get orientals already in Canada to go back to their own countries. It is said that thousands of Chinese would go back to China providing they were assisted by the return of a portion of the head tax already paid. In South Africa a policy has been adopted under which bonuses are given East Indians to help them back to India; that policy has not worked out in such a way as to get rid of all the East Indians, but some of them have taken advantage of the opportunity. I am given to understand by the secretary of the Oriental Exclusion League of Victoria that a great many—he says "thousands"—of Chinese would go back to China if some such policy were adopted. They would be glad to go back, because they came to this country under the false impression that they were needed here and would be welcomed. They were brought here more or less under false pretences, for which the transportation companies are responsible; they find conditions here not as represented, and they would go back if the government would bonus them to the extent of their steamship fares. If that is so, it might be a good thing to do.

I have referred, Mr. Speaker, to the policy of the Liberal party, announced many, many times on the hustings and in this House and in their platform, that the cost of living would be brought down if they were returned to power. Well, I think that has not turned out to be the case, but rather that the cost of living has gone up, and has been going up practically all the time since this government came into power. In this connection let me refer to the Labour Gazette, a government publication, of February, 1926, where at page 93, I find this:

> Retail food prices were again somewhat higher, the cost per week of a list of twenty-nine staple foods for an average family of five, in terms of the average retail prices in some sixty cities was $11.63 at the beginning of January, 1926, as compared with $11.56 for December, 1925; $10.77 for January, 1925; $10.78 for January, 1924; $10.52 for January, 1923; $11.03 for January, 1922; $14.48 for January, 1921; $16.92 for June, 1920 (the peak); $15.30 for January, 1920; $12.42 for January, 1918; and $7.73 for January, 1914.

I am afraid, therefore, that this government has not been successful in carrying out that plank of its platform, and I submit that there must be something wrong. I submit that the government's policy is responsible for this increase, and that the government's policy as announced in the budget this year will be responsible for a still further increase in the cost of living.

Now I come to another matter. This government takes credit for a lot of things. I wonder if it will admit that it is responsible for the state of affairs to which I am now going to refer, namely that the birth rate in Canada has decreased steadily since October of 1921.

Mr. LAPOINTE: The whisper of death is responsible for that.

Mr. McQUARRIE: Has the policy of this government anything to do with that decline in the birth rate? Whether it has or not the fact remains that it is absolutely true; the birth rate in Canada has decreased steadily since October, 1921. I quote from a recent press despatch:

> The birth rate continues to fall. In October, 1925, the last month of record, returns from all the provinces except Quebec show a total of 11,887 births in Canada, compared with 12,768 in October, 1924. The equivalent annual birth rate per thousand of population in the eight provinces was 20.5, having decreased steadily since October, 1921, when it was 25.3. Vital statistics for Quebec are not available.

The above figures are living births. In October last 416 infants were born dead. There were 129 pairs of twins. Sixty mothers died in childbirth. Infant mortality also was slightly higher; 1,075 infants under one year old died in October.

There must be a reason for this decrease in the birth rate. Does it mean that our population also has decreased? I submit, Mr. Speaker, that if this government pursues the policy which has been enunciated in the budget, we shall have a still further decrease in our birth rate, because Canada will not have even the population that it now has.

Another matter I wish to refer to in this connection is this: In British Columbia, along the coast and in the outlying districts, a very serious condition exists. A great many children come into this world without a doctor or a nurse being available.

Mr. BEAUBIEN: Too many doctors here; that is why.

Mr. McQUARRIE: The situation is very serious, and a similar condition might exist in other provinces. It may be responsible for the high infant mortality, but I would suggest to the government a way in which they can help. I submit that this government is doing very little in the way of assisting in this very important matter now, but we have an organization in this country that is doing splendid work, so far as its funds will permit, and that is the Victorian Order of Nurses.

Mr. CHABOT: Hear, hear.

Mr. McQUARRIE: I submit also that that order is not receiving a decent grant from this government. This government is not giving as much assistance to this organization as some municipalities are subscribing; it grants only $10,000 a year, whch is a disgrace to Canada. I submit that the grant should be very largely increased, and that we should give at least $50,000. If we are as prosperous as the Minister of Finance would give us to understand, surely we can afford to give at least $50,000 to assist the Victorian Order of Nurses. Such a grant would enable them to enlarge their work, and I am sure they would then be able to attend to some of the outlying districts where no assistance is at present being given.

The government is doing very little for the farmers, and there is one branch of farming that is being overlooked entirely, namely, the raising of sheep. No encouragement is being given to our farmers to raise sheep, although I believe conditions in this country are suitable for sheep raising. When I was in South Africa I had the pleasure of meeting one of the greatest wool experts in the world, the man who wrote the article on Sheep and wool in the Encyclopaedia Britannica, Senator Guthrie, of Australia. He told me that he was surprised we produced so few sheep in Canada. He said that the climate, the soil and the conditions generally were suitable to the large production of sheep in this country. I have in my hand a pamphlet which deals with this subject, and I shall make a short quotation from it:

Canada is a fine sheep country and the raising of sheep is a tremendous factor in successful farming. Yet we keep only 2,500,000 sheep while the size, climate and feed conditions would permit keeping 25,000,000, to grow wool and mutton for home consumption and export. Our farmers should have the profit of growing 50,000,000 of the 70,000,000,000 pounds of wool consumed annually by the people of Canada, instead of growing only 15,000,000 pounds, of which a large quantity is exported.

There are no more sheep in Canada to-day than there were in 1897, because Canada then reduced its duties of woolen goods from Great Britain, which resulted in closing down eighty-eight mills, which reacted on the sheep raising industry.

The government should put a proper duty on and give the sheep producers of this country a chance.

Mr. FORKE: Take the duty off woven wire.

Mr. McQUARRIE: I have in my hand a resolution which was passed in February of this year by the advisory board of the British Columbia Farmers Institute, which I believe has been presented to the government, and one of the matters therein referred to is the initiation of a policy designed to stimulate sheep-raising and agriculture generally.

I am sorry to notice also that our trade with South Africa has decreased. That trade, of course, is one-sided even now, but I am happy to see that South Africa has decided to send a trade representative to Canada. Perhaps he will be of service in developing a larger trade. I think we should buy more from South Africa. I pointed that out in a speech which I made last session. I find that our trade with South Africa has decreased very materially in the last year or so. I would refer anyone interested in the question to the Commercial Intelligence Journal, a government publication, of February 27, 1926, where tables are given and where the matter is discussed. Something is wrong in our dealings with South Africa. This govern-

ment is not attending to business as it should; it is not doing anything to encourage trade between that dominion and Canada.

Earlier in the session a resolution was introduced by the hon. member for Southeast Grey (Miss Macphail) which called for better treatment for inmates of the penitentiaries and the payment of an allowance to them for work which they perform. It seems to me that before contemplating anything of that kind the government might take into consideration the wages paid to the guards in the penitentiaries which are altogether too low. The current report of the Auditor General shows that nine industrial guards employed at the New Westminster penitentiary drew during the year in salary and bonus, a total of $8,388, which would be $932 per man. The four keepers drew $6,003, or $1,501 per man, and the forty-seven plain guards drew $42,973, which averages $915 per man. These guards at the penitentiary are not employed on an eight-hour day or six-day week basis at all; they are engaged in continuous service. The government does not pretend that these sums adequately pay these men, but it rests on the plea of the necessity for economy. I understood the Minister of Justice to say that he was in favour of paying the convicts in the penitentiaries for the work they did. I would say to him: Before you do that look into the matter of the wages paid to the guards in the penitentiaries, and give them a fair deal. They are not getting the standard rate of wages. We have in British Columbia, as in other provinces a standard rate of wages which must be paid in connection with all contracts awarded by municipalities, and other public bodies.

5 p.m.

Mr. FAFARD: What were the salaries paid in 1920?

Mr. McQUARRIE: I have not got those figures here. We find from the record of contracts for works awarded in the vicinity of the penitentiary in British Columbia that contractors are required to pay 45 cents per hour which means $3.60 for an eight-hour day. This in turn represents $21.60 per week and $93.60 per month, or $1,123.20 per year. The penitentiary guards are entitled to a wage at least equal to that and I think the government should do something on their behalf.

I have here a protest and an appeal from the Amalgamated Civil Servants of Canada dated 20th of March, 1926. I am not going to read it because all hon. members have received a copy of the document. I must say that I believe the complaint set out in the protest is well founded, and that these men have not received proper consideration from the government. In June, 1923, a parliamentary committee, which inquired into the operation of the Civil Service Act, recommended that immediately after reorganization and reclassification had taken place salary revision and adjustments should be proceeded with without delay, and that pending this revision the bonus should be continued. The protest goes on to say:

> At the commencement of the 1924 fiscal year no provision was made for the revision of salaries; and the bonus, admittedly a necessity under the existing low salary ranges, instead of continuing, as recommended, was reduced 33 per cent, creating considerable agitation among civil servants generally. The government responded by requesting the Civil Service Commission to revise salaries commencing with the Post Office Department. On the completion of such revision it was found that instead of removing the cause of the agitation (loss of remuneration) it increased the loss; in other words, the revision in numerous instances allowed even less remuneration than after the original bonus reduction was in operation.

The government have made various promises to the civil service, but the latter have been compelled to wait unduly long for an adjustment of their claims. A finality should be reached in this matter. The civil servants are entitled to know where they stand in regard to their salary, and some permanent arrangement should be made which will be fair to them. My contention is that the civil servants are entitled to a fair and reasonable wage. I do not believe in cutting down wages. If there is a lot of deadwood in the various departments cut it out. We were told that was going to be done, that the new Auditor General would deal satisfactorily with that feature, but so far as I am aware the Auditor General has done practically nothing in that direction. I repeat, if there is deadwood, cut it out, paying those who are retained in the service a fair and reasonable wage.

Before concluding, I want to refer to a more or less local matter affecting my constituency. We are pleased to see by the financial statement of the Canadian National Railways that a very encouraging advance has been made towards meeting the annual expenditures of that road out of revenue. It seems to me that if that railway is in as splendid a position as has been stated by the Minister of Finance (Mr. Robb) and Sir Henry Thornton, it should be in a position to fulfil its obligations to the city of New Westminster.

Prior to the government taking over this line, when it was being operated by the Canadian Northern and when the road was being extended to the coast, an arrangement was made with New Westminster. The Canadian

Northern officials came to that city and requested that New Westminster should provide a right-of-way for the Canadian Northern through the city so that it could get on its own tracks to Vancouver. They promised certain things to New Westminster and in consideration of those promises the city expended a sum of $500,000 in widening the street adjoining the river for the purpose of giving this railway a right-of-way. The railway acquired at that time about $1,000,000 worth of property in New Westminster, property which was to be used for the purposes covered by its agreement with that city. Some of that property has been leased, but the most valuable portion of it has been lying idle ever since although some good use should be made of it.

The city of New Westminster is entitled to expect the Canadian National, as being the successor of the Canadian Northern, to carry out the agreement made by the Canadian Northern, as has been done in other cases, for instance in connection with the city of Vancouver. What we ask is that the Canadian National do at New Westminster or on the Fraser river something which at the same time will assist the Canadian National. Of course we think the Canadian National should go on its own tracks to Vancouver. It runs over the Great Northern tracks now, and if you will believe it, Mr. Speaker, at the present time the station at New Westminster used by the Canadian National is in charge of officials of the Great Northern Railway Company, a United States concern. If you call up and ask for the Canadian National Railway station in New Westminster, you will be answered at the other end "Great Northern." Surely if we are in such a splendid financial position, the Canadian National should have its own agents in New Westminster as in other places.

What we suggest is that the government as being synonymous with the railway should build a government grain elevator at New Westminster. I know, in making this appeal, I have the support of many Progressives because they stood up in the last House and strongly supported the construction of a government grain elevator on the Fraser river. There are certain advantages there and all those advantages apply more particularly to the Canadian National. For instance, if there were a government elevator near New Westminster on the Fraser river, say at Port Mann where the railway already owns a suitable site, and if grain were taken off the cars at Port Mann instead of the cars being routed over to Burrard inlet at Vancouver, there would be a direct saving to the Canadian National Railways of $13 a car.

Hon. members, more particularly those who come from the west, know how much of their grain is going to go out by Pacific ports and how much is going to be carried by the Canadian National Railways. I say to them: On every car of grain carried by the Canadian National Railways to the Pacific coast, if there is a government elevator at Port Mann there will be a saving of $13 a car. It may be said that that is not a saving to the producers, but I submit it will come back to the producers because they have to pay their share of that $13 a car now and equally so will they derive a benefit from a saving of $13 a car.

Another matter is the time involved in taking these cars over to Vancouver. They have to be switched to the bridge, go across the bridge, then be switched to the Great Northern tracks, taken over to Vancouver, switched to the Canadian Pacific tracks, taken down towards the inlet and then switched to another track and taken to the elevators. All that switching would be done away with and a great deal of time would be saved. Another consideration is that the cost of construction on the Fraser river is very much less than on the salt water. On the Fraser river you can use a pile foundation which will last for fifty years or more. On Burrard inlet the construction has to be concrete because of the teredo which is not found in the fresh water. Sites are already available owned by the Canadian National Railways, namely, site at New Westminster, a site at Port Mann and a site at Woodward's landing a little lower down the river. Any one of these sites would be suitable and Mr. Howe, one of the greatest elevator engineers in Canada, has reported as to the suitability of these sites.

Mr. JOHNSTON (Long Lake) : How does it come about that no elevators have been built there? There has been a good deal of building in Vancouver in the last number of years.

Mr. McQUARRIE: That brings me to what I was going to say. I am glad the hon. gentleman has asked the question because it will give me an excuse for continuing longer. I was just about to conclude my remarks. I wanted to say something about the Fraser river and I am sorry the Minister of Public Works (Mr. King) is not in his seat. The Fraser river is one of the greatest rivers in Canada and for a great part of the distance the channel is deep. In most places it has a depth of fifty feet or more, but in one or two

places down at the mouth of the river the depth is not there yet. Although some dredging has been done—and I give the government credit for that—no effective work has been done to complete the job. A programme has no doubt been decided upon, but the government does not finish it. Therefore, although shipping in the port of New Westminster has increased very largely in the last few years and although at present many ocean-going ships come into New Westminster including Canadian Government Merchant Marine ships which do a big business, there are ships which cannot even now get into the Fraser river. The matter is just one of having the channel completed and then we shall have private elevators. There is no doubt that the Grain Growers would have built an elevator at New Westminster if they had had positive assurance that the channel would be completed immediately. I know they had options on property there and that they were satisfied with the property. The only question was as to the channel of the river, and the matter is a very simple one from an engineering standpoint. True enough, it means the expenditure of some money; it will involve the completion of the jetty out on the sandheads. Prior to the war the jetty was constructed for half or perhaps three-quarters of the distance, and it requires but a couple of miles more to complete it. This should be done, as well as some other permanent work, and if the government would go ahead and complete the undertaking they would find that private elevators would be established there. The matter is in the hands of the government of course, and I can only assure them that upon completion of the channel these ships will come in. I admit that the draught of the ships in the grain carrying trade has increased, and I am also aware that it is necessary to accommodate vessels drawing twenty-eight or twenty-nine feet, whereas we can at the present time provide for a draught of about twenty-six feet only. It must be remembered, however, that a ship of that draught is fairly large.

Mr. McKENZIE: Is annual dredging necessary?

Mr. McQUARRIE: The channel has to be kept dredged. We have two dredges, one of which I think should be scrapped altogether. It is not doing any effective work although it is costing the country a large sum annually. It is a suction dredge that takes the sand up into its hold and carries it for deposit in the gulf of Georgia. That is a poor system; all the dredge can do is dig holes. It digs two or three holes, carries the sand out to sea, and then attempts to dig more holes adjoining those already made. That is not at all effective, and such a method will never complete the work. I have repeatedly advocated the obtaining of a modern dredge of the King Edward type. I repeat, a certain amount of work will have to be done; but if the engineers are right—and we have had one of the best river engineers in America report upon the river—then, upon the completion of this permanent work, there will be little for the dredges to do. At present we have on the river such business as will warrant the expenditure. It is, I know, of considerable proportions, but if necessary I can give the figures to show the amount of business that is done on the Fraser river. I say therefore that we are entitled to have the channel made sufficiently deep to allow us to get our products out to the markets of the world.

I do not expect in this connection to receive any assistance from the hon. member for Vancouver North (Mr. Donaghy). That hon. gentleman is not going to support me in my suggestion so far as Port Mann is concerned. In fact, in the last campaign he advocated that the Canadian National shops at Port Mann should be moved to the city of North Vancouver. In a pamphlet issued at his instance there appears the following:

> The future development of the north shore. What will it be? By Dugald Donaghy.
>
> Our interests are opposed to the policy announced by the leader of the opposition, that not another dollar shall be spent in railway extensions. Such a policy will hold back the development of this port. We want to see the Canadian National Railway extended from Port Mann to the city of North Vancouver; we want to see its railway shops and yards constructed on the great tideflat areas on the north shore, and we expect to see many grain elevators constructed along our water front.

That would mean a greater expenditure; it would mean adding to the $13 a car inasmuch as they would have to go on other tracks and be taken over another bridge. There would be a lot more switching, involving an additional expense. This country owes something to Port Mann, in view of the fact that the Canadian National is a successor to the Canadian Northern. Port Mann was advertised as the terminus of the Canadian Northern railway and as the site for the car shops and terminal buildings of that system, and a great many people throughout Canada and in other countries as well, purchased land in Port Mann on the strength of the representations which were made at the time of its establishment. I say therefore that in all fairness this government and the Canadian National Railways, instead of taking the car

shops away from Port Mann should add to the industries already in operation there. They should encourage the further development of industry in that town.

I must thank you, Mr. Speaker, and hon. gentlemen for having listened to me so patiently. I have taken up some time to-day, but it will be admitted that during the previous part of the session I said very little. We are all, I take it, anxious to promote the interests of our own constituencies, but at the same time it is our desire to help the rest of Canada. In my part of the country we do not manufacture automobiles, but we are willing just the same to see that the industry and those employed in it shall have adequate protection. Similarly, although we do not grow grain to any extent, we are interested in the grain growing business. We wish to see the grain growers and other farmers of the prairies prosperous, because we know that their prosperity will be reflected immediately in our province. When there is a good season on the prairies we have also a good season in British Columbia. We are with the prairie provinces; our interests are identical and we desire to see everything reasonable done to assist those provinces. We desire also to help other parts of Canada. We want to see the Dominion as a whole make progress and become prosperous, and I have no doubt that if we have a good Conservative government in power and if we all work together and in harmony, with the welfare of Canada constantly in view, we shall in a comparatively short time see the vacant spaces in this country fill up with the right kind of population and Canada achieve that position to which she is entitled.

Mr. J. FRED JOHNSTON (Long Lake): In rising to make a few observations on the budget and the proposed amendment, I desire first of all to follow so many of those who have preceded me in the debate in offering my sincere congratulations to the Minister of Finance (Mr. Robb) on the splendid statement he has submitted to parliament at this time. I am sure he must have had the full co-operation of his colleagues in the government to have been able to present such a financial statement to the House and the country, and I believe that we in Canada are fortunate, particularly at a time like this, in having as Minister of Finance a man in whose integrity, high sense of duty and sound business judgment the great masses of the people have every reason to have confidence.

It is not my intention to follow my hon. friend from New Westminster (Mr. McQuarrie) throughout the whole of his remarks, but at the outset he read an editorial from the Vancouver Daily Province to this effect:

> What Canada needs is a government that can run and is not dependent on the Progressive crutch.

I would ask my hon. friend and those of his party if at the beginning of this session—or even at the present time—they were given control, are they in a position to run?

Mr. McGIBBON: Might I ask my hon. friend a question?

Mr. JOHNSTON (Long Lake): I have put a question to my hon. friend's colleague.

Mr. McGIBBON: Did the hon. member find the Progressive crutch very useful in the past?

Mr. JOHNSTON (Long Lake): My hon. friend has not answered my question. Even if given control of the government now, are he and his party in a position to run—to administer the affairs of state?

An hon. MEMBER: No.

Mr. JOHNSTON (Long Lake): I should say not. The only place they could run would be to the country. How does that gibe with the direct bid which was made to the Progressives by the hon. member for South Wellington (Mr. Guthrie) at the opening of this session? The rules do not permit me to quote the hon. gentleman's speech, but if I remember correctly, his language was something like this, and he stated he was making his bid in the presence and with full knowledge of his leader: That if the Progressives in this House would join hands in supporting the Conservative party, that party would carry on from session to session until the full parliamentary term was exhausted.

Mr. McGIBBON: If they had the confidence of the House.

Mr. JOHNSTON (Long Lake): Certainly; no government can carry on without the confidence of the House. That is what this government is doing and has done since the opening of the session.

Mr. McGIBBON: Does my hon. friend say that is a bribe then?

Mr. JOHNSTON (Long Lake): Well, I do not know what else you would call it.

Mr. McGIBBON: Then you admit that you are bribing them.

Mr. JOHNSTON (Long Lake): Certainly not. Then my hon. friend from New Westminster referred to the Prime Minister as a wobbler. Well, let me ask my hon. friend

if his leader did not wobble from his previous stand in connection with Canada's participation in the empire's wars in his Hamilton speech. I want to know if the hon. member for New Westminster, or even the hon. member for Muskoka (Mr. McGibbon), agrees with his leader in his Hamilton speech. They are not so ready with an answer, Mr. Speaker.

Mr. McQUARRIE: Would the hon. member state exactly what speech he is referring to?

Mr. JOHNSTON (Long Lake): The speech of my hon. friend's leader in Hamilton.

Mr. McQUARRIE: What did he say?

Mr. JOHNSTON (Long Lake): I would have thought my hon. friend knew very well what his hon. leader said on that occasion.

Mr. McQUARRIE: Quote it to us.

Mr. JOHNSTON (Long Lake): I have not the speech before me.

Mr. McQUARRIE: I have heard a great many versions of what my right hon. leader—

Some hon. MEMBERS: Order.

Mr. McQUARRIE: Wait a minute.

Some hon. MEMBERS: Order:

An hon. MEMBER: You had all the afternoon.

Mr. McQUARRIE: I have not yet heard from the leader of the opposition what he did say on that occasion.

Some hon. MEMBERS: Order.

Mr. McQUARRIE: You asked me a question and now you will not let me answer.

An hon. MEMBER: No speech.

Mr. McQUARRIE: Before I can answer that question I must know definitely what my leader did say. But I have never yet known him to make any statement that I did not entirely agree with.

Mr. LAPOINTE: When wrong they are misquoted.

Mr. JOHNSTON (Long Lake): I do not wish to misquote my hon. friend's leader. I think I shall do him no injustice when I say this is the gist of his words in Hamilton: that if the empire was embroiled in another war, and he were prime minister of this country, before he would plunge Canada into that war he would not only call parliament together but he would appeal to the people. Does my hon. friend subscribe to that doctrine?

Mr. McQUARRIE: I am not prepared to take the hon. gentleman's guess of any statement made by my hon. leader.

Mr. JOHNSTON (Long Lake): Well, so much for the remarks of my hon. friend for New Westminster about wobbling. I notice that he criticized the treaty with Australia and wanted the duty raised on butter and eggs. Well, I think I can show my hon friend that so far that treaty has not worked to the detriment of the dairy industry of this country. I have before me the wholesale and retail prices of butter in the city of Ottawa for the winter months during the past three years, and I think they pretty well indicate whether or not Australian butter entering Canada during the past winter has injured our dairy industry. These are the figures:

	Wholesale	Retail
December, 1923..	42	45
January, 1924..	42	45
February, 1924..	42	45
March, 1924..	42	45
	37	40
December, 1924..	38	42
January, 1925..	38	42
	37	40
February, 1925..	37	40
	34	37
March, 1925..	34	37
	37	40
December, 1925..	45	48
	47	50
January, 1926..	47	50
	45	48
February, 1926..	45	48
	47	50
March, 1926..	47	50

Now, if the hon. gentleman will analyse those figures he will find that the price of butter in this city, both wholesale and retail, for March, 1926, was exactly ten cents a pound more than it was in March, 1925.

To my mind, Mr. Speaker, the financial statement which the Minister of Finance has presented to parliament, gives great encouragement to the Canadian people. We have a favourable balance of trade amounting to over $400,000,000. The proposed reduction in taxation of $25,000,000 will be a welcome relief to our people who have been so heavily taxed since the war. This, coupled with a revenue sufficient to meet all our expenditures and provide $22,000,000 in reduction of the national debt, will, I am sure, give fresh hope and courage to all Canadians from coast to coast. The reduction in the income tax, the doing away with the stamp tax, and the decision to revert to penny postage on Dominion day, all go to prove that better times have returned.

My hon. friend from New Westminster referred to the finances of the Canadian National Railways in, I thought, a rather critical manner. Well, I think the returns on operating account will bear investigation. The hon. member for South Wellington (Mr. Guthrie), speaking in this debate, was not ready to give this government credit for any of the improved conditions apparent in Canada. In 1920 we had an operating deficit of thirty-two million dollars in connection with the Canadian National Railways. In 1921, the last year my hon. friends were in office, this deficit had been reduced to eleven and a half million dollars. In 1922, when the present administration had been in office but a few months, the operating surplus amounted to two and three quarter millions. In 1923 this had grown to twenty and a half millions. In 1924, on account of a short crop year in western Canada, this surplus was reduced to seventeen and a half millions, while for the past year it amounted to thirty millions—thirty millions of a surplus in 1925 as against a deficit of thirty-two millions in 1920 or a difference of sixty-two million dollars. After this government came into office there was a change in management, and I am ready to give some credit to the government for making that change. I do not think we would have had such a statement before parliament and before the country to-day had the old management carried on.

Speaking of railway rates some hon. gentlemen opposite seem to believe that western Canada has received a special favour with respect to railway rates; that because the old Crowsnest rates have been made statutory, other parts of Canada are being made to suffer. I am not going into this matter exhaustively, but I wish to point out, particularly to my hon. friends from Ontario, that to carry a ton of coal from Edmonton to the central parts of Ontario costs $12.70; to carry a ton of wheat from Edmonton to central points in Ontario costs $13. I think this is enough to show hon. gentlemen that the grain producers of western Canada are paying a rate sufficiently high; at all events it more than equals the rate on coal. But it is said that these rates are so low that the railways cannot make any money. Last year I took occasion to put on Hansard certain figures setting out the net return by months of the Canadian Pacific Railway for the year 1924. I am sorry I have not the figures for 1925, but I think at this time it is worth while repeating the figures for 1924. These figures are the net returns, and I want to show that during the months when grain is being moved the receipts are far beyond those of the other months of the year—the grain-carrying months must of necessity be those in which both railways make their money.

Months	Receipts
January	$ 709,011
February	938,618
March	2 332 071
April	1,497,607
May	1,629,361
June	2 462,880
July	2,339,116
August	3,280,706
September	4,581,103
October	7,090,615
November	6,122,251
December	4,554,047

That makes a total of $37,537,386. If we analyse these figures and take the four months during which grain is moved—September, October, November and December—we find that they give a greater net return by $7,158,646 than do the other eight months of the year, so I think it is useless for hon. members to suggest that the hauling of grain in western Canada is not profitable.

Mr. McGIBBON: Might I ask a question? Does the hon. member seriously suggest to this House that he is a greater authority than the statistical branch of the Department of Railways, which absolutely contradicts him?

Mr. JOHNSTON (Long Lake): It has been said, Mr. Speaker, that figures do not lie but that statistics may be made to say anything. The figures I have given are the net returns of the Canadian Pacific Railway month by month and it is up to my hon. friend to refute them.

The hon. member for New Westminster gave some quotations from letters, advertisements and so on. I am going to read one or two. I have a letter from a friend in western Canada under date of April 19, which is so directly opposite to that read by my hon. friend that I think it should go on Hansard. It goes on to say:

> It is far and away the most popular thing the government has done since it came into office, not only because of the reductions in income tax and automobile duties but because it will give the impression that the government is showing capacity to deal with the pressing problem of taxation. The reductions in the latter, amounting to $25,000,000 are, I think, more than anyone expected. It was a bold stroke but one which I think will be justified by events. Undoubtedly the country is swinging into a much better condition of prosperity than it has enjoyed for years. The result of this will be to swell the revenues from practically all sources and it is therefore reasonable to expect that our revenues for the present year will still be sufficient and probably more than sufficient to meet our expenditures. But there is another aspect of the matter too. Governments, like individuals, are always tempted to spend freely when the cash is available. The mere fact that

$25,000,000 of taxes has been swept away will impress upon the government in even greater degree the need for all the economy that can be practised by the administration, so that the net result of the budget will be not only to give a much needed relief in taxation but to promote as well a better attitude of mind in the government and in parliament to expenditures.

The reduction in duty on automobiles will also be popular. I notice that some of the automobile people in Ontario have raised a row and threaten to close their factories and do all sorts of things. As an illustration, a friend of mine here was negotiating for a car a few days before the budget was brought down. He was informed this morning that the price, as a result of the budget, will be reduced $155. This means that everyone in Canada that buys a car to-day will buy it cheaper because the duty has been reduced, and since there are a great many people buying cars they will naturally be pleased that they can buy them more cheaply. In other words, the budget has put money in their pockets in this respect and for that reason will be popular.

The opinion expressed in that letter is, I am sure, generally held throughout western Canada. I have here an editorial from the Saskatoon Star, headed "Good Advertisement," which says:

The national budget of this country interests others besides Canadians. It interests those in the United States and overseas who are considering migration to Canada or investment in Canada. British capitalists especially, when thinking of investment abroad, pay particular attention to the national finances of the country they have in mind. Deficits, additions to debt and tax increases impress them unfavourably. Surpluses, reductions of debt and taxation have the opposite effect.

The budget just brought down at Ottawa by Hon. J. A. Robb will therefore be an excellent advertisement of Canada beyond the boundaries of the Dominion. It showed a surplus of revenue over expenditure for the last fiscal year, of $55,000,000. That will be taken to reflect a return of prosperity and a gain in financial strength. It showed a cut in the national debt, which will be interpreted in the same way. It provided for tax reductions and that, of course, will enhance the attractiveness of Canada for intending immigrants as well as for investors.

One hopes that the preachers of blue ruin will not spoil the picture. They have already worked great harm to Canada by misrepresenting conditions.

It is to be hoped, Mr. Speaker, that we have heard the last of the whispers of death and calamity howling by our Conservative friends in this country, which we have been so accustomed to hear in the last four years. But even with a financial statement such as is now before parliament it is hard for our Conservative friends to stop decrying conditions in this country.

The hon. member for South Wellington (Mr. Guthrie), speaking in this debate, said—Hansard, page 2459:

We on this side of the House congratulate the people of Canada on the improved condition which has recently arisen as compared with the unfortunate state of affairs that has prevailed during the past four years. Now, if we are not inclined to bestow much of the credit for this improvement on the government of the day, no one can complain. This country has improved to some extent, not on account of any effort of the government but in spite of the government. For if the prosperity of a country was ever hindered or delayed by an organization of human beings this country has been so hndered and delayed through the administration of the King government.

I think, Mr. Speaker, that the trade figures are a pretty good index as to conditions in this country, and I am going to give the trade returns for the fiscal years from 1922 up to the present time. If these figures are looked into it will be seen that year after year since our Conservative friends went out of office there has been a steady expansion in our trade. In 1921, the last year that the Conservatives held sway in this country, our imports exceeded our exports by $29,000,000 The figures for the succeeding years are as follows:

Fiscal year ending March 31st, 1922—	
Imports	$ 747,804 332
Exports	753,927,009
Total trade	$1,501,731,341
Favorable balance	6,122.677
Fiscal year ending March 31st, 1923—	
Imports	$ 802,579,244
Exports	945,295,837
Total trade	$1,747.875,081
Favorable balance	142,716,593
Fiscal year ending March 31st, 1924—	
Imports	$ 893,366.867
Exports	1,058,763,297
Total trade	$1,952,130,164
Favorable balance	165,396,430
Fiscal year ending March 31st, 1925—	
Imports	$ 796,932,537
Exports	1,081,361,643
Total trade	$1,878,294,180
Favorable balance	284,429,106
Fiscal year ending March 31st, 1926—	
Imports	$ 927,000,000
Exports	1,330,000,000
Total trade	$2,258,534 000
Favourable balance	402,695,000

If those figures mean anything, they certainly mean a great expansion in the trade of this country since the year 1922, and if Providence, as some hon. member suggested the other evening, has had everything to do with this showing, I think it would be a good and a wise thing for the people of this country to keep in power a government that seems to be in line with Providence.

My hon. friend from South Wellington would give no credit at all to the government. He says that during the past four years this country has been anything but looked after by the King government. Well, Mr. Speaker, back in 1896 we had a general election in this country which resulted in a change of government. It

took the new government that came in about four years to get the ship of state in order, but everybody in this country knows, the years from 1900 up until 1911 were Canada's greatest growing time. Then in 1921 the present administration came into office. Many good acts have been put on the statute book since they came into power, but the full result of their work and careful financing has not been seen until the budget was brought down this year. The reduction in taxation proposed by this budget, I am sorry to say, does not appeal so much to Conservatives in this House as it does to Conservatives outside, who are more free to speak. I have here a Canadian press despatch from Toronto headed "Former Finance Minister Praises Budget Brought Down by Mr. Robb," and reading as follows:

Toronto, April 19th.—The reduction in income taxes announced in Hon. J. A. Robb's budget speech on April 15th was hailed as a step in the right direction by Sir Thomas White, former Canadian Minister of Finance, in addressing the Canadian Club to-day on Canada's problems. "Let us hope that the next step will be a longer one in the same direction," Sir Thomas said: "The burden of our direct taxation is still very heavy and places us at a great disadvantage as compared with our keenest competitor, the United States."

One-quarter of the net annual production of Canadians was paid out in taxes, Sir Thomas estimated. This was a drag on business and enterprise. The problem was to pay interest charges on the national debt, and reduce it, without unduly heavy taxation.

Taxes invoked to pay war expenses should not remain a day longer than necessary, the speaker said. Sir Thomas declared that if the special war taxation was greatly reduced the necessary extra revenue would come from the great improvement in business which would surely result from the tax reduction.

One is glad to hear these words even from the gentleman who, in my opinion, is more responsible than any other individual in Canada for the heavy load of taxation which the Canadian people are bearing to-day. Sir Thomas White, as Minister of Finance during the war period, had opportunities, when money was freer in this country, to levy taxation so that the people would not have felt it. He had a chance to do that and to get the necessary money for this purpose, but he did not grasp the opportunity. During the war, when Sir Thomas White was floating his war loans, his own friends, Conservatives from one end of the Dominion to the other, tried to persuade him to make the income from those loans taxable, but he continued to float loan after loan by means of the issue of tax-free bonds. His reason given for not making these bonds taxable was that if he did so he could not get the money. But what happened after his retirement? The hon. member for West York (Sir Henry Drayton) became Minister of Finance, and within three months after assuming office he floated a loan and by means of taxable bonds obtained more money than Sir Thomas White ever did through the medium of tax-free bonds, showing that the latter's statement that the Canadian people were not patriotic enough to lend the government money in its hour of need was ill-founded. So we are suffering to-day from heavy taxation, much of it, in my opinion, needlessly imposed on the country, because it involved amounts which could have been paid off during the war period.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. JOHNSTON (Long Lake): Mr. Speaker, when the House rose at six o'clock I was directing the attention of hon. members to some statements made by the hon. member for South Wellington in his speech in this debate. I now wish to draw attention to another of the hon. gentleman's statements which will be found on page 2460 of Hansard:

I say, Sir, that if the government had properly administered the various departments of state millions and millions, yes, perhaps hundreds of millions of dollars of taxation could have been taken off one, two, or three years ago. If the administration of the customs department had been what it should have been there would have been an increase of revenue from customs and excise duties sufficient to have allowed large reductions in taxation.

It will be noticed that my hon. friend was not careful in his use of words. It mattered little to him whether it was one million, tens of millions or hundreds of millions—a lot of money could have been saved one year ago, two years ago or three years ago. He stopped there because had he gone back four years he would have been getting a little close to the danger line, the year when his friends were in office—those who, to my mind, are responsible, as I stated before dinner, to a very large extent at least for the heavy debt that is on this country at the present time. The hon. member criticizes the government for their proposed reduction in the duties on automobiles.

Mr. McGIBBON: Did the hon. member not vote for a great deal of that debt?

Mr. JOHNSTON (Long Lake): Doubtless I did as a member of this House, but I was not one of those having the administration of the affairs of this country in hand as was the hon. member for South Wellington and my hon. friend's leader.

The hon. member for South Wellington has no faith in the personnel of the advisory board on tariffs and taxation. While he pays a tribute to the Right Hon. George P. Graham, he has no faith in Mr. Graham's ability as chairman of this board. I should like to ask my hon. friend whether the fact that the Right Hon. Mr. Graham has served this country well and capable in another capacity for the past thirty years has totally unfitted him for serving Canada in another sphere. I do not think my hon. friend or any other hon. gentleman opposite thinks so. These things are said in order to create suspicion in the public mind and to make it more difficult for this board to function efficiently.

But just why did not this government and this parliament have a perfect right to reduce the duties on automobiles or any other commodity at this time if they saw fit so to do? If I understand the matter correctly, this board is an advisory board and if at any time the government and parliament decide that duties are too high on any commodity, we as the representatives of the people have a perfect right to reduce those duties. Now that the board is constituted and with a personnel that I feel sure the people of this country have confidence in and will learn to have more and more confidence in as time goes on, I believe action of this kind will not be necessary; but to say that the government and parliament did not have the right to reduce the duties on automobiles is to my mind beside the question.

I wish to draw attention to a statement made by the hon. member for North Oxford (Mr. Sutherland) who, I am sorry, is not in his seat. As reported on page 2644 of Hansard my hon. friend used this language:

> The fact may have struck others, as it has certainly struck me, that in some quarters in this House it is only necessary in order to provoke applause to make sneering references to the manufacturers.

I pause here to ask the hon. member who used these words or any other hon. gentleman opposite to point to any one instance where members from western Canada jeered at the manufacturers of this country.

Mr. McGIBBON: Go and read Hansard. It is full of them.

Mr. JOHNSTON (Long Lake): I have read Hansard and I give my hon. friend an opportunity right now to point to a case of any individual member of this House having jeered when the name "manufacturer" was used in this chamber.

> In certain parts of the chamber, notably in the section representing the province of Saskatchewan, there is immediately a tremendous clapping when such remarks are made touching the manufacturers. Is that right? I notice, however—

And this is the reason of the statement. It is not hard to see:

> I notice, however, that hon. gentlemen from Quebec never do that; they never applaud any sneering remarks made at the expense of the manufacturers. Indeed, Mr. Speaker, there is noticeable a distinct line of demarcation between those who applaud the abuse of manufacturers and those who do not. The representatives from Saskatchewan always do; those from Quebec do not. And how these two elements, so utterly different, can get together solely for voting purposes, I do not know and cannot understand.

The hon. gentleman sets up a straw man in order that he may knock him over; he puts up an argument in order that he may draw a line between hon. members from Quebec and hon. members from Saskatchewan on this side of the House. The understanding between members of this House from these two provinces is too firmly grounded to be broken by any such tactics. Those of us from Saskatchewan have come to know our friends from Quebec as reasonable men, men who are always ready to sit around the table and discuss our problems and grievances and help us as far as possible to solve them, and I will say to hon. gentlemen opposite, particularly from Ontario, that if they would cultivate a little more the acquaintance of members from Saskatchewan they would find them willing to support such policies as are beneficial to Canada as a whole. Many of us from Saskatchewan first saw the light of day in the old province of Ontario. We have nothing but kind thoughts for the people of this province, and I submit that statements like those made by the hon. member for North Oxford do not become a member of the House, while they tend to create dissension and sectional differences, of which we have had altogether too much in this country in past years.

My hon. friend from East Algoma (Mr. Nicholson) the other day put certain figures on Hansard in regard to manufactured products which he said we could make in this country. He gave a considerable list, including binder twine, fertilizers, paints, varnishes, soap, firebricks, cotton yarns and fabrics, dyes, and so forth. Certainly we could produce a whole lot of these things, but the question is, would it pay Canada to produce them? Would it be economically sound for us to attempt to manufacture these things? There is no doubt in the world, of course, that we could produce them; for that matter we could produce strawberries in January if we cared to. I do not know whether it would be profitable for Canada

to produce these articles, nor does my hon. friend himself know. It is very easy to say that we can manufacture this, that and the other thing, but let us first make sure whether or not we can manufacture them at a profit, and to the advantage of Canada. Take cotton textiles, for instance. We do not produce one ounce of the raw material in this country. We have to import it, and then we put up a tariff wall protecting the manufactured article. Now it is a grave question whether this is paying Canada.

Mr. McGIBBON: How much rubber is produced in the United States, and how much raw cotton is grown in Great Britain?

Mr. JOHNSTON (Long Lake): If the hon. gentleman wants information as to how much rubber is produced in the United States he can go there and get it.

Mr. McGIBBON: Well, do they not make rubber goods there?

Mr. JOHNSTON (Long Lake): I am speaking of cotton, not rubber.

Mr. McGIBBON: How much cotton is grown in Great Britain?

Mr. JOHNSTON (Long Lake): The hon. member for East Algoma has another item on his list—rolling-mill products. This is a product which is in an entirely different class from cotton, for we have the iron ore and we have the coal. It might therefore be economically sound for Canada to give some little protection to that industry to get it under way, and this is one of the questions for the tariff board to decide upon. It is for this reason that I support the appointment of that board.

Mr. McGIBBON: Why not automobiles?

Mr. JOHNSTON (Long Lake): The automobile business has been well looked into by hon. gentlemen in this House, and I have no doubt my hon. friend did the best he could to bolster up the case against the action of the government. However, I am not dealing with that question at the moment.

As I observed before, history repeats itself, and I now want for a few moments to take the House back some considerable distance in the history of this country to show that the Conservative party is attempting to-day just what the Conservative party attempted in 1878. If that party had its way to-day the same result would follow as ensued at that time. In the year 1878 Sir John A. Macdonald moved in the House of Commons by way of amendment to the budget a resolution to which I would ask the patient attention of the House:

That the Speaker do not now leave the chair, but that this House is of the opinion that the welfare of Canada requires the adoption of national policy, which by a judicious readjustment of the tariff will benefit and foster the agricultural, the mining, the manufacturing and other interests of the Dominion: that such a policy will retain in Canada thousands of our fellow countrymen who now are obliged to expatriate themselves in search of employment denied them at home;

Is not that what the leader of the opposition (Mr. Meighen) has been doing for years? All through the last campaign we heard the same sort of propaganda. The very same thing which the right hon. gentleman has been predicting was hoped for by Sir John A. Macdonald.

—will restore prosperity of our struggling industry now so badly depressed; will prevent Canada from being made a sacrifice market; will encourage and develop an active interprovincial trade—

I commend the next few words to hon. gentlemen from the Maritime provinces.

—and, moving as it ought to do, in the direction of reciprocity of tariffs with our neighbours so far as the varied interests of Canada may demand, will gradually tend to procure for this country eventually a reciprocity of trade.

These were the hopes and aspirations of the Conservative party in 1878, echoed by the leader of the opposition during the last few years, and the battle cry during the recent campaign. Give industry more protection, we have been told, and we shall not only hold our people in Canada but attract outsiders as well. What is there in all that for the Maritime provinces?

Mr. JOHNSTONE (Cape Breton): That was the period of our greatest prosperity in the Maritime provinces.

Mr. JOHNSTON (Long Lake): Let us see how that policy worked out. In 1878 our Conservative friends came into office, and in 1879 adopted a new tariff. They raised the general tariff on all imports, dutiable and otherwise, to 19.1, or five points. You will notice in the resolution that Sir John A. Macdonald declared that if such an increase were made in the tariff there would be an addition to our population in this country. Well, we had in 1881 a population of 4,324,810. During the decade up to 1891, if we had held our natural increase we should have had, with immigration, a population of 5,859,508. But the statistics show that the population in that year was only 4,833,239. This means that during that period, with a substantial increase in customs duties, more protection for industry and with the national policy on trial for

three years, we had lost 1,026,000 people. But our Conservative friends say, "Forget all that. Do not review past history; take our word for it. Give us more protection and all will be well." In 1896 we had another general election, and a change of government. In that year only 16,000 people entered Canada, so that things were not very prosperous; the conditions were not such as to attract many immigrants to our shores. The general rate of duty on all goods coming into Canada, dutiable or otherwise, stood then at 19.2 and our total trade amounted to $231,000,000. During the few years following, though the reductions in customs duties were slight, there was a corresponding increase in trade. As I have said, in 1896 the general rate of duty was 19.2 and our total trade amounted to $231,000,000, and in 1897 there was a slight reduction bringing the duty to 18.7. What was our total trade then? It had risen to $249,000,000. In 1898 there was another reduction in the duty to 17.5 and the trade in the meantime had increased to $294,000,000, while in 1911, that fateful year for Canada, the general rate of duty was 16.2, the trade having mounted up to $759,000,000. And what about population? Everyone will agree that the decade between 1901 and 1911 was Canada's growing period. In 1901 we had a population of 5,371,315, and when the Liberals went out of office in 1911 we had 7,296,643. In other words, there had been an increase of 1,835,328. It would seem that lower duties had something to do with the increase in trade, and an increase in trade and prosperity means an increase in population.

Mr. FOSTER: Does my hon. friend not think that railway construction between 1900 and 1911 had a great deal to do with the increase in population?

Mr. JOHNSTON (Long Lake): I am ready to admit that, but the railway construction in that period was due to the fact that as a result of a large immigration we needed transportation facilities. In that year we had a general election. That was the year we were to have no more truck or trade with the Yankees. Did voting against reciprocity in 1911 stop our trade with our American cousins? Not at all. In 1923 our total trade reached $1,733,000,000; of this $918,000,000 was with the United States and $520,000,000 with the United Kingdom. In 1924 our trade with the United States had risen to $943,000,000, and for the last fiscal year it reached the huge total of $1,081,000,000. So voting against reciprocity in 1911 did not stop Canadians trading with the Yankees. I think these figures prove that high protection for industry has not made Canada prosperous, and that the policy Sir John A. Macdonald inaugurated in 1878 did not accomplish what he hoped and foretold it would do—keep our people at home and materially increase our population.

Mr. NICHOLSON: What was the policy of Mr. Fielding between 1896 and 1911?

Mr. STEWART (Edmonton): It certainly was not high protection.

Mr. NICHOLSON: It was just as high as it had been before.

Mr. JOHNSTON (Long Lake): My hon. friend has not been following the figures I have been giving. He asked what the policy of Mr. Fielding was between 1896 and 1911.

Mr. HOCKEN: Stability.

Mr. JOHNSTON (Long Lake): Stability with a downward trend.

Mr. HOCKEN: Mr. Fielding did not say that.

Mr. JOHNSTON (Long Lake): The figures prove it. In 1896 the general customs rate stood at 19.2. There were gradual reductions in the next four years until in 1911 it stood at 16.2—three full points down.

Mr. HOCKEN: Is the hon. gentleman able to inform the House that the trend of duties will be still lower?

Mr. JOHNSTON (Long Lake): I am hopeful.

Mr. HOCKEN: You are hoping right, anyway.

Mr. JOHNSTON (Long Lake): To my mind, Mr. Speaker, this is a people's budget. It is such a budget as will give Canadians new heart.

Mr. HOCKEN: And lose their jobs.

Mr. NICHOLSON: What will it do for the people in the United States?

Mr. JOHNSTON (Long Lake): Why, Mr. Speaker, will my Conservative friends be so pessimistic? Let some person lose his job before we start whining. Why, if the manager of General Motors, Oshawa, instead of giving to the press the statement he did, had said to the people of this country, "We do not know what this reduction in automobile duties is going to do to our plant, but we are going to put the Canadian people to the test. We are manufacturing a good article. We will probably have to cut out a few lines. Are the people of Canada going to support us and purchase the lines that we continue to

manufacture, to such an extent that we can employ all the people we now have in our factories?" If Mr. McLaughlin had said something like that the Canadian people would probably have risen to the occasion. So much for the budget.

Now, Mr. Speaker, the government's legislative programme strikes me as being one of real progress. There is an amount in the estimates for the completion of the Hudson Bay railway.

Mr. HOCKEN: Mr. Speaker, I should like to ask the hon. gentleman if he is aware of the fact that the official of the Ontario government who has to do with such matters has issued a statement that in the month of March last over 5,000 native born Canadians applied for certificates to enter the United States?

Mr. JOHNSTON (Long Lake): I do not know what that has to do with automobile duties or the budget.

Mr. FORKE: It was before the budget was brought down.

Mr. JOHNSTON (Long Lake): Probably 4,999 of those people applied for their certificates before the budget was brought down. Does my hon. friend know?

Mr. HOCKEN: It was before the budget was brought down; but that is the number for one month from the province of Ontario alone.

Mr. JOHNSTON (Long Lake): I was speaking about the legislative programme of the government.

Mr. McGIBBON: Get away from the last point to safety.

Mr. JOHNSTON (Long Lake): I have no desire to get away from this reduction of duties on automobiles. I think I see some hon. gentlemen opposite who voted for the resolution last year to reduce the automobile duties. I am not so sure but what my hon. friend who has been putting questions to me voted that way.

Mr. HOCKEN: No, I never voted that way.

Mr. JOHNSTON (Long Lake): Well, other hon. gentlemen did, particularly from the Maritime provinces. I wonder what they will do this time.

An hon. MEMBER: Wait and see.

Mr. JOHNSTON (Long Lake): Yes, we will wait and see.

[Mr. J. F. Johnston.]

Mr. MEIGHEN: The hon. gentleman voted for a speech from the throne favouring examination first. What is he going to do this time?

Mr. JOHNSTON (Long Lake): My right hon. friend is adept at drawing a fine line. He is blessed with better sight than most of us; he can split a hair four ways and still have some left.

Mr. McGIBBON: Might I remark that the hon. member is adept at changing his politics? He has been in three parliaments and has supported three parties.

Mr. JOHNSTON (Long Lake): My hon. friend is absolutely wrong, but even if that were so I have only gone one better than my hon. friend. Party names and shibboleths, Mr. Speaker, mean very little to me, but I submit that my right hon. friend, or the right hon. leader of the opposition, who seems to be deriving a certain amount of enjoyment out of all this—

Mr. MEIGHEN: Hear, hear.

Mr. JOHNSTON (Long Lake): —cannot point to one vote since I came to this parliament ten sessions ago in which I have left the principles which I upheld when I was first nominated in 1914.

I was saying that the legislative programme of the government appealed to me. The vote in the estimates for the completion of the Hudson Bay railway is, I think, very well timed. I am not prepared to say now that the project is feasible as a grain carrying route, but we have put $20,000,000 into the enterprise; every political party has pledged itself to the completion of the road, and having spent that money it seems to me there is only one thing to do in view of all the conflicting reports, pro and con. We should go ahead and prove this thing out, and the way to do that is to get the rails laid to the bay. For that reason I say the government are to be congratulated for putting an amount in the estimates to provide for the completion of this road. Then there are the other matters of rural credits, revaluation of soldier lands, old age pensions, and so on. I am sure this programme is such as to commend itself to all Liberals with a progressive outlook.

The hon. member for Muskoka-Ontario (Mr. McGibbon) who has just left the chamber, was somewhat disturbed as to my position in this House. For his information I am going to read a resolution passed by the

executive of the Long Lake Progressive Association:

The executive of the Long Lake Progressive Association, having carefully considered the present political situation at Ottawa and particularly the following phases of the situation, that is:

1. The official declaration on the floor of parliament that the Conservative party is determined on a higher tariff.

2. The outline of proposed legislation by the King government contained in the Speech from the Throne bearing on western conditions, particularly rural credits, Hudson Bay railway, branch lines and the attitude on the tariff question.

3. The general attitude of the Liberal party at Ottawa on Canadian affairs.

Be it resolved that the member for Long Lake, J. Fred Johnston, should co-operate with and support the Liberal administration of Mr. King to the fullest extent to the end that the legislative programme outlined in the Speech from the Throne may be carried into effect.

And we believe that such action by Mr. J. Fred Johnston will bring great benefit not only to Saskatchewan but to the whole of Canada.

We believe that if Canada is to be saved from disunion and disintegration and stagnation the Conservative party must be kept in opposition, and to accomplish this all those holding low tariff views must unite.

Carried.

Dated at Regina in the province of Saskatchewan this 13th day of March, 1926.

I hope that will set my hon. friend right.

The hon. member for New Westminster (Mr. McQuarrie) referred this afternoon to something which happened during the campaign. In this connection I would like to pay my respects to the right hon. leader of the opposition. He has a habit, when coming west, of visiting the constituency which I have the honour to represent; he paid us a visit in 1921 and again during the last campaign. There is a little town called Bethune in my constituency, which has been quite consistently Tory and with one exception has always given Tory majorities. The faithful there thought it would be a fine thing to have the right hon. gentleman run out and visit them when he was at Regina, which he did; his special car was dropped off at Bethune, and there was great rejoicing among the clan. There were many visitors to the car; a meeting was held in the afternoon, a banquet was tendered to the right hon. gentleman, and my friends were feeling rather blue. My right hon. friend always makes an impression.

Some hon. MEMBERS: Hear, hear.

Mr. JOHNSTON (Long Lake): Wait until I finish, and probably my hon. friends will not clap so much. The right hon. gentleman always makes an impression, but whether or not it lasts is another thing. He did so on that occasion; he was well received, and he had my friends in the dumps, so to speak. But when election day rolled around that consistently Tory poll gave a majority to the present member for Long Lake over his two opponents.

Mr. HOCKEN: Was Baldy Robb down there?

Mr. JOHNSTON (Long Lake): I think I was the baldest man there, with the possible exception of my right hon. friend.

Mr. HOCKEN: Does not my hon. friend remember Baldy Robb?

Mr. JOHNSTON (Long Lake): Really, Mr. Speaker, I believe my hon. friend is referring to a notorious character who has received some notoriety of late through the newspapers, in connection with some election scandals in the province of Alberta. I have never met the gentleman, but I see a smile of satisfaction on the face of the hon. member for Toronto West Centre (Mr. Hocken), which would lead one to think Mr. Robb a very close friend of his.

Mr. HOCKEN: That is far fetched. We had a Baldy Robb ourselves.

Mr. JOHNSTON (Long Lake): We did not have Mr. Robb or any of his ilk in Long Lake, but we got away with a majority despite the fact that my right hon. friend was there. The message I wished to convey to him, if I had not been interrupted, was an invitation to come again during the next election campaign. He can come just as often as he wishes.

Mr. McGIBBON: What colours will my hon. friend be running under next time?

Mr. JOHNSTON (Long Lake): The same old colours. I would like to set at rest once and for all the mind of my hon. friend the gallant member for Muskoka, who is so noisy over there and who seems perturbed as to my political colour. There is one thing he can be absolutely sure of, and that is that for all time to come I shall be anti-Tory.

I want to close my remarks, Mr. Speaker, with an old Greek proverb,—ton kalon kateko —hold fast that which is good. St. Paul used that proverb and enlarged upon it in his Epistle to the Thessalonians when he said: "Prove all things; hold fast that which is good." That was good philosophy in the days of Plato and Socrates, it was good gospel in the days of St. Paul, and it is mighty good politics to-day. My advice to the people of this country, Mr. Speaker, is to stay close with the present government, for there is nothing else offering that is nearly as good.

Mr. T. W. BIRD (Nelson): Mr. Speaker, I wish to say at the outset that the budget seems to me to be a very pleasing kind of document, not so much for what it specifically contains as for what it indicates and foretells concerning the prosperity of our country. I notice that our Conservative friends have been very industrious in trying to divest the government of any credit whatsoever for this prosperity. I think they could afford to be more generous. Personally I find it a very easy matter to accord to the government at least the negative merit of having done nothing to prevent this prosperity. Whatever they have done or have not done, they have evidently kept out of the way of Providence while Providence has been working its beneficent aims. Many generations ago it was said of one government that the foolishness of men had made the goodness of God of none effect. Evidently the Liberals have not managed to make the goodness of God of none effect. In spite of all that the government may have done or left undone, in spite of all the forebodings of the opposition, Providence has gone on its way and has brought to us a measure of prosperity. A saying of the poet comes to me:

> There's a divinity that shapes our ends,
> Rough-hew them how we will.

I think the same Providence shapes our political ends. From the Conservative point of view it has saved the government, and from the government point of view it has saved the opposition; that is, it has helped the opposition to explain away their doleful prophecies of October last. I wonder what the opposition would have done if they had all been atheists and had not believed in Providence? They would have had to hand the palm to the government; there is no alternative so far as I can see.

What is this wonderful Providence that has brought Canada back to this Prosperity? It is merely the co-operation of the brawn and brain of western farmers with the soil and the showers and the sun; that is what Providence is, and it is very pleasing to the Progressives to hear the very thing they have been contending for for five years now proved up to the very hilt, namely, that agriculture in this country is at the bottom of all our prosperity. For five years we have been trying to prove to this House that if you could make agriculture prosperous you would solve all our problems.

The course of this debate has been considerably influenced by the provision for a reduction in the duties on automobiles. Our Conservative friends deprecate this action without investigation first having been made.

Now if it had been anything else but automobiles one might have had a measure of agreement with their contention, but it seems to me that this House and the country know sufficient about the automobile industry without having to invoke any tariff commission. As I have been listening to the protestations of our friends to the right, I have been wondering what has become of their guarantee that in case they were called to power and had to maintain or increase our tariffs, they would see to it that there would be no profiteering; and if, over the automobile industry and this slight reduction in the tariff, our protectionist friends can work up so much excitement, produce so much sentiment, and shed so many tears, what would they do about less favoured industries? It seems to me that if we cannot lower the tariff on the automobile industry, there is not an industry in Canada on which we can lower the tariff. If they will do these things in the green tree, what will they do in the dry?

The hon. member for East Algoma (Mr. Nicholson), to whose very able speech I listened with interest, worked himself up into such a state of elevation about the automobile industry that he actually seemed to visualize the prosperity of Canada standing like an inverted pyramid on the top of a Ford car. The Ford car has been the butt of a million jokes, but I think that is the best one yet—that any hon. member should seriously consider for a moment that the prosperity and progress of this great country rests on that agglomeration of rattles and squeaks known as the Ford car.

Now, I was a very interested spectator of the delegation which thronged the doors of this parliament the other day. I think they were very sincere; I think they really felt that something was about to happen to them. But after all, what does an argument of that kind amount to? I think any one of us can visualize another kind of crowd that could just as easily have been assembled and would have held diametrically opposed views; people just as hard-working, just as honest, just as loyally Canadian with homes to be anxious about, with wives and children; the same kind of crowd, a Canadian crowd, quite as big and quite as vociferous. Mr. Speaker, what is going to happen if legislation or policy in this House is to be influenced by the biggest crowd which can gather round the front doors of this building? I noticed some of the legends which the delegation bore. One of them was very significant; I can hardly believe that

it would originate in the mind of a workingman. That legend was: "On to Ottawa". Now that phrase, adapted in that form, is a very sinister phrase to me.

Mr. McGIBBON: Does the hon. gentleman think the ordinary workingman is incapable of originating anything like that.

Mr. BIRD: Yes; when I have explained it I think you will agree with me that he is.

Mr. McGIBBON: I think it is an insult to every workingman in the Dominion of Canada.

Mr. BIRD: The hon. gentleman is quite an authority on insulting people. But the hon. member for Ontario (Mr. Kaiser) speaking the other day, reminded us of an ancient Italian who said "Destroy Carthage" so many times that they actually did destroy it. I want to remind him and the House that there is a certain modern Italian who said "On to Rome", and he said it so many times that he came very near destroying the freedom of the Italian people. That is where the phrase comes from; it savours of the black shirt. I want to tell the House and the country there are too many people in whose minds there are simmering thoughts of force which is associated with the black shirt and all that it means. Our parliamentary system is the people's way. The representatives of the people are privileged to meet and discuss their problems in a deliberative spirit, and it is not in consonance with the dignity of parliament that our Prime Minister and our ministers should be compelled at the bidding of the mob to declare what their policy is.

Mr. NICHOLSON: Does my hon. friend seriously suggest that the representatives of these workingmen were a mob?

Mr. BIRD: No, I do not.

Mr. McGIBBON: Well, that is what you called them.

Mr. SPEAKER: Order.

Mr. BIRD: The representatives of any class in this country have a right to bring their case before this government, but they have no right in the name of democracy to bring it in this manner. I know that some years ago a similar delegation came from the west. We probably started the movement, but that does not make the proceeding right; and much as I sympathize with these people I do not think that it is in the interests of parliament that that thing should recur, because if the people of Oshawa have the right to do it, the people in every part of Canada have a similar right, and we might just as well have a mob here every day. Whether they are farmers or workingmen they have no right to mob parliament in that way.

9 p.m.

Mr. McGIBBON: Mob parliament!

Mr. BIRD: I do not want by anything that I say to convert this debate into a kind of lachrymose competition as to who shall get the suffrages of the returned soldiers. That has seemed to me in some moments what it was going to become—that one member should proclaim himself the champion of the returned soldiers as against all other members. I do not intend to take a share in such a proceeding as that.

The returned soldiers have not been treated very well by our economic system. They came back to this country to find conditions very harsh, and of all the elements in our economic system the protectionist element hit the returned soldier the hardest; because in a time when work was scarce, and when prices were high, the cost of living soared out of his reach. When our protectionist friends express their sentiments for the returned soldier it reminds me of what Alice said about the walrus, "it shed more tears but ate more oysters." I think it is too late in the day for politicians to make the returned soldier a stalking-horse for their own bad policies.

My hon. friend at the desk immediately behind me told us about a monument that his community erected to the returned soldiers. Well, it reminded me that in almost every community of two hundred people or over in western Canada there is some such pathetic memorial to our soldiers, and I daresay it is the same all over Canada. One of these monuments is prominent always in my memory, and it carries these words: "The only wealth is life." I have never seen or heard of a more appropriate inscription on a soldier's memorial than that. I also grant that the idea behind the monument at Oshawa was equally fine—that idea of bringing a stone from each of certain European countries and building those stones into a permanent monument for Canadian soldiers. What kind of cement did they use to bind the stones together? If there is one thing that is going to keep the European countries apart, is going to lead them into another war, it is protection.

The spirit that controls Oshawa, if that is the spirit, is never going to bind these countries together. Let me read a short quotation from the London Spectator of March 13, 1906. It says:

> It surely must be conceded that the present network of tariffs in Europe is inimical to the prosperity not only of Germany, but of all its other states, great and small, including our own. For the tariff has been metamorphosed in recent years, and has become not so much an aid to home industries, as a symbol of national pride, a sort of economic flag, an evidence of sovereign independence, a warning to all and sundry that within these holy boundaries there is a sufficiency of everything. The idea of exchange—the basis of trade, and the first article of the true economist's creed—has been forgotten amidst the racial animosities and raw ambitions of the new Europe. When a tariff becomes a means not so much of benefiting oneself as of hurting one's neighbour in the sacred cause of a newly-formed national exclusiveness, the most rigid protectionist must surely admit that things are going a trifle too far.

In conclusion the writer says:

> Exclusiveness carried too far in social life inflicts in the end more harm on those who practise it than on those against whom it is practised, and the same also applies to the world of exchange and barter. Tariff architects cannot remove mountains and alter river valleys; they cannot even modify to any great extent railway tracks and steamship courses. In the end nature is too strong for them. And Germany, pondering on the loss of markets, and the tariff walls which now divide the former dual monarchy, is apparently taking to heart those venerable truths.

According to this article the whole structure of peace in Europe, so carefully and assiduously built up in recent years, is actually at the present moment being endangered by this very spirit.

Protection with its profession of patriotism and nationality is, after all, the most parochial of beliefs that the human mind can entertain. It proceeds on all occasions to look at the national good through the narrow vista of its own particular local self-interest. It is the easiest thing in the world to prove the virtues and benefits of protection if you remain within the sphere of the particular and the local; but when you branch out and try to look at your personal good from the good of the whole, the logic of the protectionist is not quite so formidable as it seems at first. I have often listened to debates in this House, especially from the wonderfully precise, logical mind of the leader of the opposition (Mr. Meighen) and I have come to the conclusion that with the premises he assumes his logical structure is unassailable. And so it is, if you look at Canada through the eyes of Toronto or Oshawa.

It is a very easy thing to prove that lowering the tariff, for instance, on any particular commodity will likely cause an adjustment in that industry with possibly a diminution for the time being of employment. That must be conceded. As regards industries that are more or less inefficient, that have been living too lackadaisically up to the standard of the tariff, industries more or less exotic, it is easy to prove that lowering the tariff will for the time being cause a loss of employment. But if you look at the same problem from a national standpoint, it is just as easy, indeed it is easier to prove that the continuance of that industry with its inefficiency, with its exotic character, is a constant drain upon industries that are more indigenous, more natural to the country.

The hon. member for Fort William (Mr. Manion) the other day preached to us the loyalist doctrine of sacrificing yourself for other people's good. He said: "I use a car at home, but if I have to pay forty dollars more for a car, that will not worry me; I will be glad to do it in order to keep the people of Oshawa at work." It is all right for a doctor to say that he can do that because he can pass that on to the first old lady who thinks she is sick.

Mr. MANION: Not when he is down here.

Mr. BIRD: I said, it was possible for him to do it; I did not say he would do it. His geniality of character belies any such suggestion. He can readily see how it is for professional men to do that, but the great majority of people in Canada are not in that happy position. If that forty dollars is put on to the price of a car, they have to grin and pay it; they have to take it out of something else that is perhaps more necessary. The hon. gentleman also made a peculiar argument about the necessity of discouraging people from buying cars. He argued that it was a good thing to have a tariff on cars in order to discourage people from buying them because if they buy them they will only put mortgages on their houses with which to buy cars. He forgets that people will buy cars in any case, and after this reduction is made in the tariff they will have about forty dollars less on the mortgage.

Another very interesting argument is to be found in the speech of the hon. member for East Algoma, who said: "After all, the tariff does not cut very deeply into the resources of the farmer." He had heard some agricultural expert say that it cost only six-tenths of one cent on a bushel of wheat to pay the present or the then tariff on agricultural implements. That seems a very infinitesimal amount; but when you calculate how much it means for a quarter section—probably from fifteen to twenty dollars—it is a different matter. The

House may have no conception of what life means on the average quarter section in Canada where a man is living away out with his wife and family. Fifteen to twenty dollars may seem a very contemptible sum to my hon. friend, but it does not seem such to a working farmer on the prairies. It may seem an immense sum if his wife happens to ask for a new hat or a new dress in the spring.

A great deal has been said about the Progressives and the part they have played in securing this reduction in the duty on cars. I never asked the government to reduce the duty on cars, although I am glad they did so. But our Conservative friends, for want of a better argument, always fall into their habit of chiding the Progressives for supporting the Liberals. I was very much amused by the simile used by the hon. member for New Westminster (Mr. McQuarrie) before dinner when he said that the Progressives were like the steer and the Liberals like the mule, yoked together. I want to tell the House that we had not very much choice; it was a case of choosing the mule or the mule's father so far as we were concerned. I do not wish to charge that kind of tactics upon the whole of the Conservative group; it is only some of the younger and more inexperienced members that do it. I want to say to those Conservative freshmen that the transactions and negotiations that have gone to make this House what it is at the moment have been more honourable on all sides than they imagine. I would no more think of charging the leader of the opposition with base motives than I would my own leader (Mr. Forke) or the leader of the government (Mr. Mackenzie King). In my opinion these gentlemen found themselves in a difficult situation and acted as honourable men in the circumstances. That is what I believe to the bottom of my heart. I know there is a lot of petty dickering amongst individuals on all sides, as there naturally would be amongst human beings who might think they saw immense possibilities in such a situation. But I do not think it will go down in history that the leader of any party in the House acted otherwise than as a leader should. I say that in all sincerity.

The hon. member for Fort William is very fond of referring to Great Britain. He asked us with anticipate triumph evident on his genial countenance, what free trade had done to the farmer in Great Britain. Well, I think we might with more propriety ask him what protection has done to the farmer in the United States.

Mr. NICHOLSON: There is no more prosperous farmer in the world.

Mr. BIRD: My hon. friend is making one of his usual wild and reckless statements. According to the logic of the protectionist, the farmers of the United States ought to be in the most enviable position, but from all the channels of information that are open to us we know that it has been exactly the opposite in recent years. The officials of the United States government have written about it; the farmers' organization themselves have investigated the matter and discussed it; and the newspapers, the various organs of opinion and information in that country, have looked into the whole subject. And they are all agreed on this point, that for very many years the United States farmer has been worse off than the Canadian farmer, whether he was a grain grower, a cotton grower or a corn grower.

Mr. BRISTOL: Is not that explained by the fact that the farm lands of the northern portion of the United States have been rather more worked than our western lands?

Mr. BIRD: I want to be frank with my hon. friend. I am not by any means attributing the condition of the United States farmer entirely to protection, but I do say that protection has been a big factor in bringing him to his present state. What do we see in the United States to-day? The farmers of the northwest are approaching the government with the request to take over their surplus production, having come to the conclusion that under their protective system the agriculturist is the victim. He has to sell his surplus produce at world prices while he must buy his necessities at protective prices. He has therefore decided, as I said a session or two ago, to put his feet into the trough. He himself is coming to realize his political power, and he is asking the government, to the extent of many millions of dollars, to take charge of his surplus produce so that he may get from what he sells at home enough for him and his family to live upon in decency in the land of the free.

Mr. McGIBBON: May I ask the hon. member: Does he not know that the imposition of the Fordney-McCumber tariff raised the prices of practically every article the farmer has to sell in the United States, and raised them over world prices?

Mr. BROWN: What about wheat?

Mr. McGIBBON: Yes, wheat is one.

An hon. MEMBER: That is a wild statement.

Mr. GARLAND (Bow River): The wildest of all.

Mr. BIRD: I thought I had the data under my hand, but I am sorry I have not. I will go so far with my hon. friend as to agree that in certain seasons the United States farmer who grows spring wheat derives an increase of price by reason of the Fordney-McCumber tariff; but that increase is microscopic compared with the increase in the cost of living and of transportation in the United States. My friend from Qu'Appelle (Mr. Millar) the other night quoted from the United States Farm Bureau of Statistics that in a single year after the imposition of the Fordney-McCumber tariff the farmers of the United States had made a net loss of $301,000,000—even after allowing for the gain on spring wheat and some other commodities. Now, I wonder what our protectionist friends in Toronto, Montreal and Hamilton will think of the western farmers when they come here and ask those protectionists to take over at $20.000,000 or more their surplus product to dispose of in the world's markets as they think best and leave the farmers at home to sell their wheat to the domestic consumer at a price that will give them a living on a parity with their friends in the cities. I wonder what parliament will say when the farmers of Canada come to that state. They have come to it already in the United States.

I listened to some of our British Columbia friends talking about the necessity for a tariff on eggs. This is just by the way. One gentleman said: We in British Columbia have carried the poultry industry to quite a high stage of scientific development, and we feed the poultry on grain that we get from the prairies; we are very glad we can get it at world prices, for it helps us considerably. But what would my hon. friend think if the farmer of the prairies, carrying out his own logic, came to this House to ask for permission to put up the price of that grain to a point where it would bring to them a decent Canadian standard of living? Where would the poultry business be then? That shows the absurdity of the protectionist argument through and through.

There is one argument still more absurd, and it was put forward by my hon. friend from New Westminster (Mr. McQuarrie). He grew very sad about the declining birth rate, but at the same time he read a letter from a friend of his, which he approved of, asking for an increase in the price of furniture. He wants an increase in the birth rate, and yet he wants to put an embargo on the home. These protectionists want to swell the population, but they would put a tariff on the cradle, the cot and the high chair—on all the paraphernalia that make an increase in the population possible. I listened to a very eloquent sermon last night deprecating the economic impossibility of our young people to set up homes; and yet our protectionist friends want to put a tax on the homes!

But we are getting away from Great Britain. We might have asked: What has protection done for Germany? I read in a paper the other day—I am sorry I did not take a note of it—that a representative of German agriculture was in Winnipeg the other day consulting the wheat pool, and he told his interviewer that agriculture in Germany was in a very bad way and that there was not much profit in it. That is in protectionist Germany. Now let us come to Great Britain. I will admit, Mr. Speaker, that agricultural conditions in Great Britain have been bad for some years, the same as they have been in Canada. But those conditions are not due to free trade, as my hon. friend would leave the impression on this House; they are due to the aftermath of the war. Farmers in Great Britain, like farmers in Canada and the United States, were encouraged to branch out into new productive lines, and when the slump came they were caught, and there has been depression ever since. I know there are a number of British agriculturists—a very restricted number, though—who would like protection. For instance the wheat growers, I think, would like a certain degree of protection. But I want to remind my hon. friend and this House that not all British farmers by a long way want protection. They would be very unpatriotic people if they did. I am reading this from a paper that comes to me every week from the north of England, quoting a speech of Lord Ernle, a recent Minister of Agriculture in the British government, which shows beyond peradventure that the agriculturists of Great Britain are not looking to protection for a solution of their problems. He says:

> If prices could be stabilized on a higher scale by the action of the government, the level of farming could be maintained. To many arable farmers, and indeed to the National Farmers' Union, this is the obvious remedy. By means of a subsidy or a duty, British corn-growers should be assisted to meet the brunt of foreign competition. It is, however, a mistake to suppose that all farmers want a duty on corn. Agriculture is not one industry but several industries, and the interests of agriculturists are not always identical, but are sometimes antagonistic. A pasture farmer wants cheap feeding stuffs and does not care, so long as they are cheap, whether they are home grown or imported. But even if it is

assumed that British farmers are unanimously agreed in asking for some form of protection, is such a remedy politically practicable? The answer, in my opinion, must be an unhesitating no.

Continuing Lord Ernle states:

If any such assistance were given the cost would fall on the taxpayers and consumers, and for one voter whose direct interest is that wheat should fetch better prices, there are a hundred voters to whom a cheap loaf and a reduction in taxation are necessities.

Lord Ernle, not only a former Minister of Agriculture but a practical farmer and an authority on this subject, in this place and in others has disabused the minds of British farmers as to protection.

Now, Mr. Speaker, going back to the eighties and nineties of last century, I agree with my hon. friend that the British agriculturist suffered some depression because of the opening up of the prairies of America. It was not only the British farmer who suffered, but also every farmer east of the prairies, because it is impossible for any farmer in the world to compete against free land and virgin soil.

Mr. MANION: As a matter of information might I ask my hon. friend: How does he explain the fact that there are fewer farmers per thousand of population in Great Britain than in any other country in Europe, or perhaps in the world for that matter?

Mr. BIRD: There has been a decline in the population of rural England in recent years, as there has been in all agricultural countries, owing to the enormous advance in invention, and also to a certain extent in the adjustment as between grain farming and cattle farming. It is no doubt true that there has been a great exodus from rural England to the cities; but it is equally true of the United States.

Mr. MANION: But is it not the fact that in England there is a markedly lower percentage of agriculturists than there is in any other European country or the United States either? That is my reason for arguing that free trade put English agricultural land out of business.

Mr. BIRD: I think it is to be frankly admitted that England is behind the European countries in establishing her rural industries. Due to something inherent in the character of the British farmer, he has not been able to adapt himself to modern demands in agricultural production; but he is doing it now, and doing it very speedily.

An hon. MEMBER: He went in for quantity rather than quality.

Mr. BIRD: Not only that, but he will have to become a co-operator just as the Danish farmer has. With a little political assistance such as Lloyd George has been offering, or something similar, I have no doubt that rural England will be again a hive of industry as it was in former times. I think I may very generously concede that in the eighties and nineties the English farmer suffered, as farmers all over the world including those in Ontario and the eastern states of the United States, suffered, due to the opening up of our virgin prairies. But that was only a temporary phase in the development of world agriculture. I always feel sorry and sad to think that the economics of the world should necessitate an adjustment in any industry entailing harm to any individual. I think it is a sign that we are more backward in our civilization than we sometimes think we are when the necessary progressive changes in industry cause suffering to any class or any individual. And I speak very feelingly of the eighties and nineties because of the bitterness of the time which entered into my own soul.

Now we go back to the wonderful period of the abolition of the corn laws, to the seventies, to the period I have been speaking of. According to the logic of my hon. friend, that ought to have been the blackest period in the history of English agriculture; on the contrary, it has been called the "golden age" of British agriculture. The abolition of protection to the farmer, with other factors it is true, stimulated his latent ability and turned his energies into new and more profitable directions. I think all will concede that the glorious boast of the British character is just that spirit of self-dependence and self-help which when seemingly obstructed in one direction will forge forward in another to greater and greater success. That was true of British agriculture in these wonderful years of advancement which brought the British farmer to the very peak of his profession. I do not want to take the necessary time, but I could prove that the same spirit has operated in the manufacturing industries as well as in farming in the Old Land. The history of the tin plate industry, which my hon. friend mentioned the other day, during the latter part of the nineteenth century proves that the innate independence and ability of the Anglo-Saxon can surmount even artificial restrictions to his industry; even when put out of business by the McKinley tariff he came back stronger than ever and sent his products into all the neutral markets of the world.

Now let us come to the period just before the abolition of the corn laws. According to the logic of my hon. friends that should have been a paradise to the British farmer.

Mr. SINCLAIR: May I ask my hon. friend a question? What established the tin plate industry in the United States, a country with none of the natural product?

Mr. BIRD: I will be quite frank and admit that the industry in the United States dates from the McKinley tariff. I think we are willing to admit that if we protect an industry, before it becomes spoiled it is given an opportunity to meet its competitors.

Some hon. MEMBERS: Hear, hear.

Mr. BIRD: Yes, but at the expense of every other industry in the country. The consumers and producers of the United States paid the bill when the tin plate industry got on its feet there. It was only a year or two until the tariff was lowered again, which showed the inherent vitality of that form of industry in the United States.

Let us come to the pre-corn law period in England. I have a book here which is well known as an English classic of the nineteenth century, Rural Rides, by William Cobbett. This was written just before the abolition of the corn laws; in fact the part I am quoting from was written on January 3, 1822. He gives here the notes of a speech made by himself to a group of farmers in Battle, in which he says:

> I am decidedly of opinion, gentlemen, that a corn bill of no description, no matter what its principles or provisions, can do either tenant or landlord any good; and I am not less decidedly of opinion, that though prices are now low, they must, all the present train of public measures continuing, be yet lower, and continue lower upon an average of years and of seasons.—As to a corn bill; a law to prohibit or check the importation of human food is a perfect novelty in our history,—

They did not have it before; it was only a short period before the abolition that England had the corn laws.

> —and ought, therefore, independent of the reason, and the recent experience of the case, to be received and entertained with great suspicion.

I will not trouble the House by reading more of this very interesting account of a ride on horseback through rural England in 1822. I will guarantee that neither my hon. friend nor any of his associates, who dream their dreams of a protectionist paradise to come, have either read or heard of such an account of human misery as is contained in these documents which come from corn law England in the early quarter of the last century. About ten years later the author was travelling in the county of Lincoln, and he tells of the abject misery into which farmers, farm labourers and artisans had sunk in that period, and how, in disgust with protectionist England, they had gone in hundreds and thousands to the United States.

I do not think I need adduce any more proof, Mr. Speaker; I feel sure everyone knows that the years prior to free trade in England were among the blackest in all her annals; when the standard of living had sunk to its very lowest ebb; when the Merrie England of over a century before had absolutely vanished and a miserable, industry-ridden England had taken its place.

Now let me read an excerpt from Labour and Protection, by George Jacob Holyoake, who actually saw these things with his own eyes. Holyoake, one of the apostles of co-operation, says:

> In the days of protection, as I knew them, the industrial world was a dead world. There was neither animation nor hope in it. As in the inquisition the intervals between the times of torture were days of "alarmed repose," so with workmen under protection. Few knew one week what their wages would be the next. Precariousness, privation, and depression were the characteristics of industry in those times. They live in my memory like an evil thing, and I should not recall the experience of that malign period did not the editor of this series ask me to do so.

I would not have gone to the trouble of surveying the history of the British farmer to such an extent had not my hon. friend in a moment of forgetfulness, attempted to travesty the facts of history in order to bolster up the mistaken policies of his party in this respect.

The hon. member also referred to the Safeguarding of Industries Act, and said that act was a sign that protection is coming in England. A protectionist looking for such a sign reminds me of a group of picnickers on a cloudy morning trying to persuade themselves that it will be a fine day. They are willing to let their optimism get out of bounds at the least favourable indication. I want to tell my hon. friend that Premier Baldwin and Winston Churchill would not thank him for that remark, because they have sworn to the public of England by all that is holy that there is no such thing about it. You know, Mr. Speaker, that Mr. Baldwin fought the last election on no such issue; he had no mandate whatsoever, and he told the people that that was the one thing he was going to avoid. The last election was not fought on the fiscal question at all, but on the question of respectability versus—

An hon. MEMBER: Blackguardism.

Mr. BIRD: Yes, blackguardism, or Philistinism versus barbarianism, and all the Philistines and all the respectable people—it did not matter whether they were protectionists or free traders, churchmen or non-conformists, brewers or prohibitionists—were huddled into the same fold by Mr. Baldwin. He had no sooner got this flock of sheep into his fold than the powerful lobby of necessitous British industries came along and persuaded him that they had a scheme by which they could be protected, and by which he at the same time could retain the integrity of his conscience, and the outcome was this wonderful Safeguarding of Industries Act, one of the slickest bits of political trickery that was ever put over a confiding public. They dare not bring it in by the front door, they dare not bring it in by the back door, and so they dug a tunnel and brought it in.

Mr. MANION: Does that change the fact that it is protection?

Mr. BIRD: I will admit that it does not. It only needs a very superficial examination of this act to show how easy it was for Mr. Baldwin, with his genial and able mind, to persuade himself that he was not doing any wrong. The industry concerned has to make out a preliminary case before the president of the board of trade, who happens to be a protectionist; then it has to come before a committee whom he appoints, a committee of protectionists; and when the industry has been asked a few superficial questions by the committee it goes before the cabinet, and there is no difficulty there, of course, because they originated the whole scheme. That is the scheme. It reminds me of a fish net with meshes just so big that the little fish can get through, but not the big ones; but in this case the meshes are so constructed that they can be enlarged according to the taste of the political fisherman who happens to be manipulating the net. It reminds me, Mr. Speaker, of what we may expect from a tariff commission.

Mr. NICHOLSON: Just what effect has the Safeguarding of Industries Act had on the labour situation in every industry to which it has been applied?

Mr. BIRD: I would answer, like the proverbial Scotchman, by asking another question: What effect has it had on all the other industries? You cannot bolster up one industry by a bonus without hurting every other industry that has to stand on its own feet.

Mr. NICHOLSON: It has reduced unemployment in the industries concerned by 350,000.

Mr. BIRD: Yes, and I will guarantee that it has created just as much, and more, unemployment in the other industries. I understand the first industry that came before this committee was the lace and embroidery industry. It appears that the ladies of England have quit wearing lace and embroidery, and the industry has got depressed. Lace and embroidery apparently is not used any more except by young members of parliament when they are making their first speeches. But this industry is not abashed at all by the fact that nobody wants lace. They are convinced that they ought to make lace whether anybody wants it or not, and therefore they have found a rich aunt in Mr. Baldwin who has very conveniently provided a shelter for all the lame and mangy dogs in British industry where they can come and be fed and find shelter and escape the lethal chamber just a little longer.

Mr. NICHOLSON: Does Mr. Baldwin buy all the lace?

Mr. BIRD: I would not be surprised if he buys some of it; it would only be logical. Like my hon. friend from Fort William (Mr. Manion) why should he not pay $40 more than he needed to pay for something just in order to help industry? Mr. Baldwin may have the same type of mind and buy his wife all kinds of lace, believing that it is better to wear lace these days than nothing at all.

Before I close, I want to discuss for a moment the cut in the income tax. This is one item in the budget that I was strongly inclined to criticize, but our friends to the right have saved me the trouble because they tell me that it is not a reduction, but simply a transference. I was afraid myself that it was a reduction, but I am satisfied if it is only a transference, and I am still more satisfied if it is transferred from those who are less capable to pay to those who are more capable. I believe that there will be some little suffering, as in all adjustments, but I would ask the hon. member for Fort William not to be too gloomy about his hypothetical widow, because, after all, she will not starve anyway; there are a good many widows in the land and there is a multitude of widows whom this will benefit.

There is this thing to be considered, that it is a blessing the income tax was not reduced if it meant that other taxes had to be increased. What would the widows have done then? What would they have done if you had taken the tax from the wealthy people and had put it on the poor people? That is the gentle art of giving more cakes and ale to Dives and less crumbs to Lazarus. I do

not intend while I am in this House to support any attempt to reduce the income tax so long as our sales tax and our customs duties remain where they are at present. We are yet in the grip of war taxation, and the annoying thing is this, that half of our annual revenue is going every year to pay interest on our war debt. That is the irritating thing, that after our country should have sacrificed its blood and its substance, it should find itself now these many years after the war still paying by the hundreds of millions interest upon that war debt. That is bad enough, but what would it be if our friends to the right got their way and succeeded in the next few years in foisting that burden on to the backs of the consumers and working people of this country?

I have noticed that during the last few years —I do not think it is the result of conscious action on the part of the government—that the ratio of direct taxation to indirect taxation has gradually swung over. In 1922, 67 per cent of our revenue came from consumers' taxes and only 33 per cent from direct taxation. Last year those figures had come to be 80 per cent from consumers' taxes and 20 per cent from direct taxation. I do not think, Mr. Speaker, there is a civilized country in the world where such conditions obtain, where so much of the burden of running our country and of meeting our war debts is put on the shoulders of the people who are least able to bear it. And the ironical thing is that a considerable portion of the burden-bearers includes the returned soldiers. That is the place to work up a little sentiment. Now our hon. friends say: These humanitarian considerations are all right, but you are going to deplete savings, you are going to retard the accumulation of capital. I should like one of my hon. friends to show me how the extracting of a tax from income and paying it over in the interest to the bondholders is going to reduce the capital of this country: It simply means that you are taking money out of one pocket and putting it into the other. So long as we have a national debt of its present size all our revenue from income tax will be handed over immediately by the government to exactly the same people who have paid it, and thus in this transaction a great national obligation will have been fulfilled and at the same time a large measure of distributive justice achieved. I do not think that my reasoning is exactly watertight—

Some hon. MEMBERS: Hear, hear.

Mr. BIRD: —and I do not think my hon. friend sees where it is not. I suppose some hon. member will say: If you put the tax on consumption you would have not only the tax but the interest too for capital. Well, that seems fair, but I want to say this: If this government or any government could relieve the consumption in Canada from some of the taxes it is unjustly bearing now they will immediately increase the purchasing power of the people to such an extent that the wheels of industry will hum as never before. And that is the time when capital is created—when everybody is busy. It creates itself overnight, like Jonah's gourd. You often hear the doctrine that it is the savings of the wealthy that creates capital. It is no such thing: it is the hard work of the people, it is the consumer and producer that create capital. It is time that fallacy was knocked on the head, because there is nothing so misleading. What we call capital, and what our wealthy friends complacently call their savings, is after all the surplus production which is left after we have all done our best in the course of a year. A lot of those who pride themselves on being in possession of it ought not to be in possession of it. They have got into the possession of it through no merits of their own, they have simply sat at the toll gate, and they would make it still harder for the consumer and the producer by unloading the burden of taxation on them.

Now, what are these captains of industry we hear so much about, these super-Canadians who think that every other Canadian has been created to pay tribute to them? I do not think they are so important in the body politic as they think they are, by a long way.

10 p.m.

I know they are important. I know that the ability to organize the multifarious factors of modern industry is a very necessary function, and a very remunerative one too. But the other factors are a thousand times more important. I chanced to be reading a work on economics, and I came across a delightful description of a modern captain of industry. I do not think it applies to any hon. members in this House, because they would not be here if they were not a little bit above the average. This is what it says: that the captain of industry is—

"—the type of intellect that leads unerringly to great business success—a mind moving in one dimension, without depth or breadth, but incredibly flexible and adaptable to the needs of the hour." The financier's "reputation for profundity arose from his unexpected resourcefulness; and this, in turn, was a product of a makeshift intellect. He had no definite plans, and no far-reaching vision, but he knew how to surmount obstacles as they arose. In his essential relations to life he was like a peddler on a country road, meeting people who came by, and getting the better of them."

Again, his "career illustrates clearly the fixity of purpose which is the first law of great financial success. It is a career for the single track mind, blind to wide horizons, and bent solely on material acquisition." . . . "They have deals, . . . but their ideals are usually naive, incredibly childish, and guided with a meritricious gaudiness. Through the control of power they are able to impose these mediocre ideals upon civilization, and thus set a standard of achievement which is unworthy of the human spirit."

That may be an overdrawn picture, but I think it is very largely true. We have gone a long way from the time when the biggest biceps marked the superior man in society to the time of the man who happens to have some peculiar gift of cunning in his grey matter and a good nose for profit. But we have gone that distance and we have not gone very far because there is not very much to choose between the two; the principle is the same—

> That they should take who have the power,
> And they should keep who can.

And it is very easy for them to keep it, because until recent years they have had the assistance of the parliaments of the country. And even at the present time these same gentlemen—not all of them, but one or two of them—think that men in this House who represent the common people and who are sent here at their expense are no more or less than intruders. One hon. gentleman stood up in his place the other day and referred to them as ignorant trash or something of that kind. That is something very significant. I have been surprised at the new note that has been struck in this parliament by a certain member from Montreal. I do not recollect that ever in this House we have heard the hectoring, dictatorial tones that that gentleman sometimes sees fit to adopt towards the group in this corner of the House. I do not know, but I think that hon. gentleman sometimes thinks he has been sent here in the fulness of time to discipline these insurgent groups that have come here for the first time in the history of this country to voice the needs of the producers of Canada. I do not know whether that gentleman has any proclivities of the Mussolinic kind, but it seems to me sometimes that he is thinking that way. I do not think that in these days our manufacturers and captains of industry can command the old-time subservient worship that they did. I do not think they can get away with those manipulations of legislation so that the producer and the consumer has to pay the expense every time. I do not think they can; I am very much mistaken if they can do it any more.

One of the supreme duties of a government in these times is to get out of the old idea that the functions of a government are to preserve life and property. We have outlived that conception of government, or at any rate we must enlarge our conception of life. We must read into that conception of our duty as a parliament a certain standard of living that every born Canadian has a right to, and we must consider it our prime duty to see that that standard of living shall be maintained, no matter who has to be sacrificed for it, because the necessities of the people should always be the first charge upon the surplus production of revenue of our country. It is the business of government so to adjust themselves that that will become their end and aim. I do not think we have reached the stage yet where there is a sufficient consensus of opinion to make that the legend on our political banners.

I do not know how true it is, but I will take it for what it is worth that this budget is not decreasing the income tax. I sincerely hope that no Liberal, no Progressive, will ever lend his support in any movement of that kind, to take off the burden of these profiteers, these men who sit at the receipt of custom, wear fine linen and fare sumptuously every day, and unload it on to our hard-working and toiling multitudes in the cities and on the prairies of this country. They will not get my support for one moment in any movement of that kind.

I want to say just a word as to my private and personal view of the attitude of western farmers as to tariff and other issues that we have to face in this House, because I think in some sections it is badly misunderstood. The pivotal fact in the attitude of mind of the western farmer towards the tariff, for instance, is the surplus that he has to market outside of this country every year. The western farmer at last has acquired a sufficient knowledge of elementary economics to know that that fact is fundamental; that that is the basis of his whole position as a producer; that he cannot add one cent to the price of his produce by taking thought or by any effort; and as a corollary, that every cent that you put on to him by way of taxation, by way of freights, transportation, by way of interest, must of necessity come not out of his profits or his dividends, because he does not know anything about that, but out of his living. He knows that it means that he must degrade his standard of living; that he must ask his wife to work harder; that he must deprive his children of some of the

elementary rights of Canadians. That is what it means in plain terms; that is the incontrovertible fact concerning the farmer of this country. Knowing that fundamental fact as he does, I wonder sometimes that he has not gone to greater extremes than he has when he has witnessed constant attempts to unload on to him extra costs so that by little and little his living has been reduced and his hardships and privations have been multiplied. I think the farmer of Canada—and I have known him intimately for fifteen years or more—of all classes in the community takes the most moderate, the most conciliatory attitude towards all other classes in the community. That is what I think about him in spite of all that has been said about him to the contrary.

I will tell you why the farmer, notwithstanding his stark economic position, is what he is—a law-abiding, enthusiastic Canadian. In the first place it is because he is a Canadian who will bear comparison with any other individual in the nation. Most of the farmers in my constituency are the sons of Ontario, Quebec and the Maritime provinces. Many of them are getting old now, but many years ago when conditions in the east compelled them to go out from their homes, instead of going south as the sons of the east are doing now, they went west and they laid deep and true in the west the foundations of what some day will be Canada. Those men, as I know them, have nothing but the most loyal sentiments towards their countrymen, in spite of all that has been said to the contrary. I believe, perhaps in contradistinction to the opinions of some of my colleagues, that the average western farmer does not dream and never has dreamed that protection in Canada can be wiped off the slate in a moment, or perhaps in a generation, or perhaps ever. The western farmer knows his country well enough to know that protection during a generation or two has become so embedded in our social, commercial and economic structure that it might be disastrous to take any radical and sweeping action with regard to it. In all my experience with farmers I have never heard them talk nearly so widely about free trade as I have heard hon. gentlemen in this House talk about protection. The farmers have a right to talk wildly about free trade, not only from their basic economic position, but because it has been the traditional policy of their native country for many generations.

Mr. GOTT: What is the hon. member's native country?

[Mr. Bird.]

Mr. BIRD: I am not ashamed of my native country.

Mr. GOTT: What is it?

Mr. BIRD: No native of the country to which I belong ever needs to say which country he belongs to. I was proceeding to say that the Canadian farmer during all his organized history, as I have known him, has talked moderately about the fiscal question. He wants stability just as much as my hon. friends wants it, only he wants it at a somewhat lower level than they want it. The farmers want it at a sufficiently low level to enable them to live in decency with their families in their native country. That is all they want; they are not the wild-eyed fanatics that my hon. friends think they are. It takes a fanatic to see fanaticism in others.

Now, the fiscal question in Canada is not a purely economic one at all; it is a political question, having been associated with party politics for a generation or more. For two generations now it has been a football in the politics of Canada. Parties—to change the simile—have see-sawed upon this question until the farmers have become sick of parties and have shown a disposition to be done with them. The farmers do not criticize the parties for not having gone very far in fiscal matters, and I do not think that this is what precipitated the agrarian movement in Canada. In my opinion it was something wider than that. I believe the farmers felt that so long as this game was going on, so long as the old parties were prepared to engage in this sham battle every few years to the exclusion of everything else, the interests of agriculture would not derive very much benefit from governments. Nor have they done so. The old parties in this parliament for two generations have played this miserable game and, what is worse still, they have not played it sincerely. In fact, they have been shockingly insincere, and the manner in which they have treated the whole question is a black mark against our political history. Unfortunately, during all these years, the people chiefly concerned have not been here to put an end to the game. While the parties have been engaging in this futile business, such problems as transportation, interest rates and other matters even more vital to the farmer than the tariff have been held in contempt. And why? Simply because the old parties—I am not speaking now about parties as presently constituted—accepting their election funds as they did, from our banks, our transportation companies

and such institutions, could not do otherwise, in relation to the producers of the country, than to neglect them altogether. That is one of the reasons why the farmers of Canada are not so fanatically intent upon the tariff to-day; they have come to see that there are many other things that are vital to their interests.

There is one more point, which I have left to the last in view of its importance. In recent years the farmer has lost interest in the fiscal question because he has caught the vision of a great co-operative effort. From one end of Canada to the other, especially in the west, the farmer for the first time in his history has glimpsed the mighty potentialities of co-operation. As one who has been keenly interested, in a more or less detached way, in the prosperity of the farmers of western Canada I may say that it came to me, as it came to others, as a thrill of satisfaction and hope when we discovered one fine morning that the farmers had at last awakened to the fact that in co-operative effort there lay the solution of a great many of their problems. I believe that in the co-operative movement of the farmers at the present time there lies the germ of a new order of things in Canada. The farmers in a marvelous way have blended two elements which sometimes it has seemed impossible to reconcile—a purely visionary thing and a very practical idea. And this co-operative movement in the west, which to-day markets between 70 and 80 per cent of the staple products of that part of the country, is going to make itself felt in the history of Canada as nothing else has done since confederation. I am making no vain boast; it is plain to be seen by anyone who cares to recognize it. The producers of Canada for the first time in their history find themselves to-day, without the help of governments, capable of organizing their economic power and able boldly to confront other organizations which so long have exploited them. That is something which every sincere Canadian must sooner or later take notice of. I am not much concerned about the fate of parties. It would not have worried me much if at the last election the Progressive party had sunk into oblivion.

An hon. MEMBER: It will the next time.

Mr. BIRD: It may, and so may the Conservative party, as it nearly did in 1921. Political fortunes are not certain at all. But I do not care whether this happens or not. There is something more vital, more far-reaching, more dynamic in the life and thought of Canadian farmers to-day than ever there was in any party in Canada.

An hon. MEMBER: Oh, oh.

Mr. BIRD: An hon. gentleman behind me—I do not know who it is—prefers cachinnation to argument, but I wish he would be courteous enough to allow me to proceed.

Mr. ROSS (Kingston): Order.

M. BIRD: The hon. member should admonish his own colleagues; I do not think that he himself would indulge in such childish antics. I was proceeding to tell the House my personal belief regarding the future of Canadian farmers, who are only beginning to realize their economic power. And what difference is there in the long run between economic power and political power? Let me warn the House that however contemptuously parliament may have treated the vanguard of this new movement it will not be able so contemptuously to treat the main body when it arrives here.

Mr. JOHNSTONE (Cape Breton): Mr. Speaker, I move the adjournment of the debate.

Mr. LAPOINTE: Go ahead.

Mr. DEPUTY SPEAKER: It is only twenty minutes after ten.

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): Mr. Speaker, I should like to congratulate the hon. member for Long Lake (Mr. Johnston) who spoke this evening. I followed his discussion of the various governments that have held power during the last ten years. He has had peculiarly good opportunities of judging the merits of those governments, as I understand he gave valuable support to them all, and I have reached the conclusion that his judgment of the word "'wobbler" should be taken without question.

I must congratulate the Minister of Finance (Mr. Robb) on giving the country a very attractive programme. In fact I might almost term it a very fine piece of election propaganda. Still it looks as if the minister himself had forgotten a very important point —that the Maritime provinces are still in existence. One would imagine that after all the discussion which has taken place in this House on Maritime rights he would at least have remembered the name, for I am sure it must be familiar to the ear of every hon. member. I certainly thought, Sir, the govern-

ment would have done something for the only two stable products we have in Nova Scotia, namely, coal and steel, to the continued existence of which adequate tariff protection is vital. These are two of our greatest industries, and because all things are not equal in competition where these industries are concerned, they being subject to conditions over which this country has no control, they must be protected if they are to live and prosper. Therefore it was a disappointment to us in the Maritimes that the government failed to correct the mistake made last year when the duty on bituminous coal was lowered three cents instead of being raised; failed to make anthracite screenings dutiable at the same rate as soft coal with which it competes, and failed also to adjust the duties on iron and steel.

I notice in the Speech from the Throne that mention was made of the prosperity this country was enjoying. I fail to see how prosperity could exist in one part of the country while destitution is prevalent in another, factories closed, our people leaving by the hundreds, a depleted population, and our country robbed of its best blood. Now, Sir, why is this? Why in a country which contains everything that goes to make up a prosperous and contented nation should such things exist? There is only one answer: something must be wrong with the government of the country. And who is responsible for the mismanagement? The government that rules the country. The policy of the government must be wrong and the personnel of that government is incapable of appreciating the wants of the people.

Three things to my mind are necessary: Stop the stream of our raw materials going into other countries and allow such imports to come into Canada as can be used by our own people in increasing industries and the manufacture of the finished articles. That is the only way to keep our people at home—put a duty on all foreign goods that come into Canada to compete with our own natural products, our industries and our manufactures. Now, why should we allow our raw materials to go into other lands, in many instances to be returned to us as the finished article, the labourers often being our own people, perhaps the sons and daughters of the men who helped to send the material out of the country. I could refer in this connection to pulpwood, minerals, and so on; why not use those products at home?

The flow of emigration must be prevented, and the best immigration policy that I know of is protection. We are exporting the best asset that Canada can produce—our sons and daughters—educated at the expense of the Canadian taxpayer, giving their brains and brawn to a foreign country. How can we stop this flow of emigration? By simply making our country more attractive to our own people, passing legislation that will in many instances appeal to our young people, establishing industries and manufacturing centres, thus giving them work and building Canada up.

We have got within our own borders everything to work with. A bountiful Providence has dealt well with us in giving us a beautiful country and endowing us with an immense natural wealth, much of which has not yet been developed. But to take full advantage of this great heritage we need government help and encouragement. Think of the rich mineral deposits of all kinds not yet touched by the hands of man. Now, Sir, we want the government to understand that Canada is not entirely dependent upon other nations. England was until recently the greatest cotton manufacturer in the world but she grows no cotton; the greatest woollen manufacturer, but she imports most of her wool. Ireland imports most of her flax, and yet it is a great linen manufacturing country. The United States manufactures 70 per cent of all silks in the world, but she grows no raw silk; she is the greatest rubber manufacturer, but grows no rubber; the greatest manufacturer of asbestos, nickel and sugar, but all the asbestos and nickel come from Canada and all the sugar from Cuba. She lets this raw material in free and places a duty on the finished article. She can dictate her own ways and means because she does so behind a high tariff wall. All the articles mentioned are just as available to Canada's factories and consumers; all we have to do is to allow them in free and protect the finished article. In that way we could have large industrial centres which would give work to our young men. Then agricultural conditions would improve, and our farmers would have a large market for their produce. I know in Cape Breton we have a beautiful farming district entirely dependent upon our coal and steel industry.

Now, Mr. Speaker, as I have said, what we want to do is to have a strong government, with a solid, stable policy, a government that the people of Canada would have confidence in, not such a government as this, with a different policy for each province, but a government under the leadership of the present leader of the opposition (Mr. Meighen), who has so definitely laid his policy

on the table. There is no use in fighting 110,000,000 people with 9,000,000 unless we have something to fight with; and that something, Mr. Speaker, is a strong protective policy. Every country in the world, with few exceptions, is for protection. Even England, the great free trade nation, is talking protection. The United States was built up under it. I am a protectionist by conviction. I well remember the first political speech I ever heard; it was on protection, in the year 1878, when Sir Charles Tupper—then Dr. Tupper—first formulated the great National Policy. I think I am safe in saying it was his first speech on the subject. He spoke in the town of Sydney—now the city of Sydney. At that time there was great destitution in Cape Breton. Hon. Alexander Mackenzie's government was in power. My hon. friend from Long Lake (Mr. Johnston) this afternoon stated that history did repeat itself. Let me remind him that on this occasion it did not. The people appealed to the government, and the government sent down food, a great deal of it being corn meal. To this day the old people there speak of that government as the "corn meal" government. But, Sir, in 1925 when the same class of people asked this government for relief they were turned down. Sir Charles Tupper in 1878 spoke from a platform in a field, part of an uncultivated farm, with very few houses in the district. There was only a wooden pier extending into the harbour, with a few fishing vessels at anchor. Sir Charles Tupper predicted the time would come when instead of one wooden pier there would be six steel piers; when instead of wooden vessels there would be iron and steel steamships made of steel manufactured in our own country. At that time there were no mines working on the southern side and only one on the northern part of the island. Sir Charles Tupper lived to see his prophecy fulfilled: steel piers, steel ships, important steel and coal industries, and flourishing towns. In a word, the district became prosperous.

The duty on all coal in 1879, regardless of size or quality, was 50 cents per ton, but a year later it was raised on bituminous coal to 60 cents per ton. In 1887 anthracite, which is not produced in Canada in any great quantity and which is essentially a household coal, was put on the free list. It was not until 1897 that soft coal was rated at 53 cents, and I am sorry to say that it was a Nova Scotian—a gentleman who is held in the greatest respect by the whole country—who first made the change and reduction.

I believe in protection—I do not mean high protection all round, but I do mean a protection that will prevent Canada from becoming the dumping ground for foreign goods. I want, Mr. Speaker, a national policy all over Canada so that the east can do business with the west; and all Canada should unite together in working for one common cause, namely the uplifting and building up of our country, taking her out of the rut into which she has fallen.

I believe immigration is the principal question to-day; the greater the number of people who go away the harder it is to keep our country up. Look at our closed industries, our vacant farms, the amount of head money spent in the last number of years, and it seems little surprising to me, Mr. Speaker, to find that although there is said to be great unemployment in the United States, our men and women always find something to do. Of course, brains and education will tell, and our American friends readily appreciate our skilled labour, no matter where it comes from. Our Canadians are not afraid of work, and when they cannot get it at home they have to go abroad for it. But, Sir, does it not mean something that there should be this great gathering of our best brains and muscle in another country? I do certainly think that the government are not taking this matter seriously enough; they seem to shut their eyes to the fact of immigration. It is time, Sir, to sit up and think; the leaders of our country should take this problem seriously into consideration and in some way try to solve it.

I wonder what would happen if such a thing as secession took a start? I hope that such a thing will never be seriously considered, but we cannot shut our eyes to the fact that it has been freely spoken of. We must remember that there is hardly a family in Nova Scotia —and I am speaking of that province alone just now—that has not one or more sons or daughters in the United States, and if a vote were taken to-day, or ten years hence, would it not have a bearing on the question? The fact that so many of our race are over there might be the means of blending the family together; even to-day I know of several instances where young men and women have sent for their parents to join them on the other side. Mr. Speaker, this whole problem of immigration should be well considered; surely there are men in Canada who can solve it and save our country before it is too late.

I am sorry the government did not go into the protection question a little more; it may

be that they left it to the tariff commission to deal with. We in our province want more protection on coal and steel. The transportation difficulty should also be rectified. Our coal mines down by the sea have the right of way in the summer through the St. Lawrence, but our navigation closes about December 1. Then our mines must be idle, because the rates on the people's railway are prohibitive and no work of any kind takes place, the result in many cases being misery and destitution for six months. Surely, Sir, we in the east are entitled to fair play at the hands of the railway people. Our steel should be protected, because when the steel works are running we have a market for our coal, but now foreign steel products are coming into Canada cheaper than they can be made in Sydney or landed in Montreal. With our steel works protected and working full time, and our mines doing the same, just think what a change would take place. The farmers would have a market; they would be encouraged; business would look up, and the effect would be felt all over the province. Then why, Mr. Speaker, should we not have these things? We are part of Canada; why deny us our rights? At present we use about 80 per cent of our own farm products. If we shut out the United States farm products, as they have done to ours, and promote our own industrial products, we could consume at home the other 20 per cent of our own farm products; we could sell at Canadian prices instead of at the world's prices, and put our farmers on a better basis. Exporting our products forces us to low prices.

Agriculture is one of our mainstays. The American tariff is prohibitive except as concerns raw materials, which Canada would be wiser to keep, or ship out in the finished state. Our farmers and fishermen have been turned out of the American market and our industries were never allowed in. On the other hand, American farm products, fishermen, industries and minerals are welcomed with almost open arms.

On the question of protection I would like to repeat what the president of the Steel Company of Canada said at the annual meeting of that company:

> Canadian products show an increase of less than 1½ per cent in fifteen years, while in the United States the increase has been 75 per cent. Canada's imports in recent years have almost equalled the tonnage of the Canadian output. We can never hold up Canada and pay Canadian wages by buying our requirements from foreign factories. We can only develop Canada by developing our Canadian industries.

[Mr. L. W. Johnstone.]

When the United States was buying her steel in Great Britain, Lincoln said:

> If we buy steel in a foreign country, you get the steel and the foreign country gets the money, but if you buy steel at home, you have in your own country both steel and money.

I would like now, Mr. Speaker, to quote from Haliburton on Intercolonial Trade; Our Only Safeguard Against Disunion. This was written in 1867; it is ancient history but very interesting, and I would like to show the similarity between affairs as they existed then and those existing to-day. He says:

> Nova Scotia having already become familiar with this foreign trade, Halifax must become the entrepôt for the outlet of our productions, which must be sent by the St. Lawrence via Pictou to Halifax during the summer, and in winter by the Intercolonial Railway. But to make the trade profitable, we must reduce freights to the lowest possible point, and this can only be effected by providing a remunerative return freight. The only return freight which can be sent is coal, and even if the price of fuel were increased by the imposition of a similar duty to that imposed by the United States, it would be amply repaid by its reducing freights, and hence enhancing the value of the flour and other products and manufactures of the west. It is necessary, if for no other purpose, in order to create a large trade without delay, and to get us into a new groove. It is necessary for the cheap transport of the productions of Canada to the seaboard, which will have to be as low as possible in order to enable them to compete abroad with the cheaply carried products of the United States. It is necessary in order to render the Dominion independent of the United States in the all important matters of fuel, and to prevent the serious consequences which the sudden stoppage of our supply in the autumn might entail upon us. It is necessary, in order that Ontario and Quebec, instead of strengthening the hands of those who are endeavouring to crush the coal interests of the Dominion, may teach them some of the fruits of their own policy, and convert them into advocates of more rational measures. It is necessary, to prevent the Americans from starving the Nova Scotians into annexation. It is necessary, to promote intercolonial trade; but above all it is necessary, in order to unite the people of the Dominion by the only bond that can endure—that of common interests and commercial sympathy.
>
> In addition to these considerations, there are others which are, at the present juncture, of equal moment to us. I have hitherto avoided dealing with this subject in a sectional or local point of view, but knowing as I do the serious disaffection which exists in Nova Scotia, I believe that the imposition of a duty on American coals, similar to that which is levied on ours, will cut the ground from under the feet of agitators, who represent the Dominion government as indifferent to our maritime and mining interests, and watchful only of the welfare of the two great provinces that hold the reins of power in their hands. That prompt action in this matter, and a desire to sacrifice everything for the general interests of the Dominion, will in time soothe the alarm that has been excited in Nova Scotia, and the prejudices that have been aroused, we cannot doubt. Looking at the matter from their point of view, we cannot be surprised at their indignation, nor should we condemn that spirit of independence which they have exhibited, without which no people are fit for self-government. The day will yet come, we must hope, when they will contend with equal vigour and earnestness for the permanence and per-

petuity of the New Dominion. As matters now stand, assuming their views to be correct, the fate of Nova Scotia has no parallel except that of afflicted Job. She has had her coal trade and her market for her fish and other products cut off, and her wordly possessions depreciated. Political Sabaeans have robbed her of her birthright, and the cup of affliction is filled up by the conduct of ungrateful friends. It is possible also that the parallel may go a little further and that the evils have been aggravated by the temptations of an agitator, who exaggerates her calamities, and endeavours to make patience an impossibility.

I have read that, Mr. Speaker, because I thought it had a bearing on the case.

In conclusion, I would ask the government to consider these matters either after or before they have the tariff commission's report. There are three ways to improve the situation in the Maritimes: First, by an increased duty on coal and steel so that our people can be kept at home; secondly, by the establishment of coke ovens to take our coal, encouraging, by also imposing a duty, the use of coke to take the place of the outside anthracite that is coming into Canada. I firmly believe that our people can be educated to the use of coke instead of anthracite —I am speaking on the authority of those who have used both—and in that way we would be helping each other and working for a common cause, namely, the building up of Canada for Canadians. The third point is transportation. As I said before, we should have cheaper rates on our railways so that our coal could be shipped in the winter months and our mines be kept working, instead of lying idle for several months. We should work shoulder to shoulder in these things, so that Canada may take the place the Fathers of Confederation intended she should take, that of the brightest gem in the crown of that great empire upon whose flag the sun never sets.

Mr. C. E. FISH (Northumberland, N.B.): Mr. Speaker, the budget which is now before us opens up a field for very wide discussion; at least, I judge so from what I have heard since its presentation to the House. I cannot say, in fact the House would not expect me to say, that I entirely acquiesce in all the proposals contained therein. I am not so sure that even hon. gentlemen sitting on the other side of the House, if they were to make an investigation as to our country's ability to stand the reductions now proposed, would find that the country could afford these reductions. In view of our enormous debt and the very little we have done towards reducing our war debt since the conclusion of the war, we can hardly make the reductions now proposed without a need for additional taxation cropping up somewhere else.

I also want to state that I am not one of those who believe in these special taxes. I like to see them thrown out. I believe the source from which we should obtain most of our taxes, in fact, practically all of them, is the revenue tariff. I believe that is the most equitable method of taxation, because it gives every man a fair chance. The man who wants to be economical can go without certain classes of goods that are taxable; he need not buy them, and then he does not have to pay any revenue in that way, and as for those who can afford to buy these goods, they get good value for their money. That is why I believe the tariff is the proper source of raising taxation. The tariff, if it is put on for the purpose of raising revenue, is not protection, according to my idea. Protection is the protecting of an industry against the inroads being made upon it from outside countries. You protect it so that it may survive, and I believe industry is entitled to protection for a certain length of time. My ideas of protection run back a very long way. It was my fortune to be sitting in this House in 1878. When Sir Charles Tupper introduced the National Policy I was sitting in the Speaker's gallery, and from that day down to the present I have been a consistent protectionist.

I remember very well the time before confederation when we had a reciprocity treaty with the United States. Older Canada enjoyed the privilege of reciprocity with the United States for a period of ten years. During that time the Americans unfortunately were engaged in a civil war, and due to protection and the extra money that was in circulation at that period, we had most excellent times in older Canada. That, of course, was to be expected. We can always account for good times by one of two causes; either some great expenditure is being made, or we have good crops. That has been the rule, according to my observation, as far back as I can remember.

Prior to confederation we in the Maritime provinces had to depend almost entirely on the United States as a market, and for reasons with which most hon. members are familiar, we were quite intimate with the Americans in those days, practically our whole trade being with the New England states. But at the close of the American civil war that reciprocity treaty was annulled by the American government. Two reasons were given for that. One was that the Americans had discovered that we were too intimate with the Mother

Country; but that reason was disputed. The other reason, and I believe the true one, was that the Americans had discovered that in the ten years during which the reciprocity treaty was in force we in Canada had escaped paying them somewhere in the neighbourhood of forty-five or fifty million dollars, and they decided that that would be quite a good sum to help them in their difficulties and in paying off their debt. The treaty, therefore, was cancelled. Then came dire times for us in the Maritimes, and that was equally true I think of older Canada. At any rate, we set out to get a market for ourselves, and while we were exploring in that direction confederation came on the horizon. Just as we were on the eve of arriving at a conclusion with regard to securing a market for ourselves, the older provinces came down to us and induced us to enter confederation.

I remember very well the election that took place after that. The slogan was: The great Quebec scheme—because it originated, I believe, in the convention that was held in Quebec. When we accepted that proposal offers were made to us that I do not think have been carried out. I will not touch further on the subject—it will come up later in the session—but it brought us to the position where we had to abandon a great deal of our trade and our methods of doing business down there. At that time about five thousand of our seagoing vessels were registered in the Maritime provinces, and we had some twenty-five thousand seagoing men. To-day we have neither. At any rate the seagoing vessels are very few, and the number of sailors is almost nil. I merely mention these facts to illustrate the sacrifice we made when we abandoned our trade channels and went into confederation.

Reference has been made to the word "secession" a number of times during this session. Now, down in the Maritime provinces the majority of the people are not aware what the word used in that sense, signifies. It does not and never did mean disloyalty to the British flag; it means we thought there were other ways in which we could improve our trade than by hanging on to confederation. That was all that secession meant in the Maritime provinces.

When confederation was inaugurated the Conservative party were in power. For sixty per cent of the time which has since elasped they have held the reins of power, the Liberals having been in office the remaining forty per cent. The Conservative party may regard with disdain the imputations cast at them across the floor of the House, because their record is to be found in the history of Canada and it is one of progress and achievement. From the beginning of confederation the Conservative party took hold of the development of our railways. They built the Intercolonial, they bought out the Hudson's Bay Company, they constructed the Canadian Pacific. Some trouble then occurred and the Liberals came into power, and Canada had four or five years of the bluest time the country ever experienced; there never was any experience equal to it either before or since. Once more the Conservatives were returned to power, and the National Policy was adopted, which policy has been in force to a greater or lesser degree ever since. Although the Liberals under Sir Wilfrid Laurier governed Canada for fifteen years they never interfered with the National Policy. I do not think they improved it very much; whenever they acted they departed from its principles. I believe that if the policy of the Conservative party had been strictly adhered to the country would have been farther on the road to prosperity than it is to-day.

May I be permitted to say that the Conservative party have no idea of introducing legislation that would strangle or injure any branch of industry? The idea that anything of the kind is contemplated is a great mistake. They do believe, however, that if an industry can be improved by granting it protection that course should be followed. Other countries believe in the policy of protection after trying it out—the United States for example. In the country to the south they do not take very long to decide what is best to do in regard to any industry. Whenever an industry is found to be in need of protection they extend protection immediately. That is what the Conservatives propose to do in this country. Of recent years a new element, the Progressives, have entered the public life of Canada. Their idea seems to be that the farming interests shall be exempt from taxation of all kinds. I do not know where the revenue would be obtained if such a policy were carried into effect. Putting selfishness altogether to one side, I do not think they have very much to complain of. I wonder what our Progressive friends would do if they were in the same position as the original settlers of the Maritime provinces. Those people did not ride in Pullman cars into a land flowing with milk and honey; they came to the promised land by water, and they were obliged to locate upon the banks of streams. At first they could not go inland because there were no roads and no way of getting them. They had to settle down where they landed, and go to work. None of the

11 p.m.

blessings of paternalism were available for them; they had to stick there and work hard. It was a case of "root hog or die"; nothing else for them to do but win or lose. The farmers in the west have not had to meet the hard conditions such as the old pioneers in the lower provinces had to overcome. They have a fertile soil and they have had much encouragement in carrying on their occupation. I do not for the life of me see why they want to interfere with the manufacturing industries of the country. We cannot get along without manufacturing, and the farmers themselves would be very much better off if manufacturing in Canada were carried on to a greater extent than it is. Take the woollen industry for example. What do our farmers get out of wool? They go to all the trouble of raising sheep, and doing all the hard work incidental thereto and they receive thirty-five or forty cents a pound for the wool of a pelt. Altogether they probably benefit to the extent of $2; they put this in their pocket and go home and think they have done well out of the transaction. On the other hand if the conditions were such that that wool could be manufactured in this country, instead of their getting only $2 the country would probably benefit to the extent of $12 to $14. It reminds me very much of a contractor I once knew whose occupation was sawing wood. His plant consisted of a woodhorse and a crosscut saw, and two men working for him. He took a contract to saw a pile of wood for $11. The men's wages amounted to $10.40 and when he was paid off he only received sixty cents for himself. He asked if that was all that was coming to him and received a reply in the affirmative. When receiving that information he said that it didn't matter, that he had bossed the job anyway. If you go into a store and purchase a blanket you have to pay $8 or $9 for it. For the wool used in the manufacture of the blanket the farmer only receives $2.80. Would it not be much better for him if the $8 or $9 which that blanket costs represented money spent on its manufacture in this country? To manufacture a ton of wool would mean employment for 60 men for about a month. Surely it would be much better in the interests of all concerned that that wool should be manufactured in Canada than that it should be shipped to some other country and manufactured. And the same argument applies to many of our natural products.

The farmer is always complaining about the price he gets for his wheat, setting up the claim that agriculture is the basis of production. Well, wheat is a commodity that can take care of itself. It is a pretty sure crop provided the weather conditions are all right. When we try to export our wheat to the United States we are up against a duty of 42 cents a bushel. There is no question but that the Yankees are enterprising; and I have to admire them for that quality. They import our wheat, mill it and their government refunds 41 cents. I do not believe the United States can increase their output of wheat much more than they have been doing during the last few years, and their population is increasing so rapidly that I believe they will be one of our best customers in a very short time. There is no need to worry about our wheat; all our farmers need to do is to grow more and more of it and they will find a market for it. I think the same thing may be said in regard to all our agricultural products.

We must however try not to let our people be imposed upon. Our farmers are being imposed upon now in regard to the idea of letting Australian butter come into this country, and they cannot see it. Last winter our farmers in the Maritime provinces got as much as sixty cents a pound for their butter, but this year the buyers are very independent and the price does not come within fifteen cents of that. The buyers say: We will not give any more; there is plenty of butter in Canada. These importations of Australian butter have made our market a big one; we have our own butter and the Australian butter together, and this influences the buyers so that they are quite independent and do not care whether they buy from our farmers or not. Notwithstanding all the quotations about the price of butter in Montreal and Ottawa where, in my opinion, it ought to be cheaper than anywhere else in the Dominion, in the Maritime provinces last year we were getting from sixty to sixty-five cents a pound for butter and to-day we cannot get more than forty to forty-five cents. That is the effect that the importation of Australian butter has had upon us.

Our friends the farmers would do better if they would give up the idea of free trade. It was played out long ago; it is moth eaten, and the proof of that can be seen just by looking around. England is the mother and home of free trade and there are reasons why she is so. Situated as she is with her marine, she can go all over the world, gather the raw products everywhere, bring them home and manufacture them. But she is now having a hard time to continue doing that and within

a very few years she will be protectionist as much as any other country. In fact she is that now. When the Labour government came into power in England automobiles were entering that country under a preferential tariff, but our friends the Labour government over there immediately cancelled that. We continued sending automobiles to England and were doing a good business, but when the present government took office they restored the tariff and what has been the result? To-day in England they are manufacturing cars better and cheaper than we can make them, and although Mr. Ford's car had the call on their market at that time, he does not have it now. When the present government in England put a tariff on automobiles and protected that industry, the automobile manufacturers there went to work and produced a better car and they are selling a cheaper car there to-day than we can manufacture.

Of course, the great question is protection, and until that is finally settled in Canada I do not know that we shall ever get any further ahead than we are. Looking back over the time since I first began to pay attention to politics—which is as far back as I can remember, because I have practically always taken an interest in public affairs,—I think something must be done in order that this country may progress as rapidly as it should. Why is it that with the unlimited natural resources we have we are practically marking time? I am not prepared to lay down a policy for the country, but from the success that other countries have won through protection I think we also ought to be able to gain something by it.

This meddling with the tariff will never get us anywhere. The delegation that came to Ottawa the other day is only one instance of what might come from several other sources under similar conditions. Those people who came here were really more than simply a crowd of people coming and going away again. They did not buy tickets to come down here merely for the sake of making a show; there was something more than that at the bottom of their visit. They must have seen that the wolf was at their heels, or was likely to be there, and I think far more attention should have been given to their case than was given. The proposed reduction in the tariff on automobiles certainly means that many of these people will be deprived of a living. We are always preaching in this country about the necessity for a good, decent living, about our advancing civilization, and so on, but when such a stab is given to this industry as this House has given or will give, it is time for us to sit up and see what we are doing. The automobile industry was going along very quietly and nicely; large numbers of fine, respectable men and women were employed in it, living in contentment; and without any warning whatever consternation is thrown into their camp. What do we find? We had an exhibition of what the result was in their coming to Ottawa to see us. When that industry was going along as it was, why should we not have let it continue and have a chance to breathe?

These reductions are being made simply because somebody wants to get an automobile cheaply. I am not in the automobile class and I do not expect I ever shall be; indeed, I think there are already too many automobiles in the country. A very respectable old gentleman and a very wealthy farmer was here last fall and I said to him: "Where is your automobile?" He said: "I sold it; I had to sell either the automobile or the farm. It took all the money the wife could make in butter, milk and eggs to pay for gas and tires. Worse than that, last year I lost about half my crop through gadding around the country, and the best thing I could do was to sell either the farm or the automobile, so I sold the automobile." I think we are better off without these automobiles, with people joy-riding and running around the country morning, noon and night, and dear knows what is going on. The automobile is really a luxury; no one can prove to me that it is a necessity. People can get around in some other way than by owning an automobile, which is a very expensive toy. These automobiles were bringing a fine revenue to the country, and we should let gentlemen who can afford to buy them either pay for them, or stay at home, or go on foot.

As regards the hydro developments in our province, we have a proposition that I think hon. members from Quebec and Ontario ought to be familiar with so that they will understand that they have not the prospects of any greater power than we shall have down there. It is proposed to harness the bay of Fundy tides. This is something new in the way of developing power, and I think later on this question may come up in the House when we shall have an opportunity of discussing it. In the meantime I want to remind hon. members that there is a possibility of developing a power there that will far exceed anything in Ontario and Quebec, not excepting the Niagara falls. It is a power which may be depended on at all times irrespective of rainfall or snow; it goes on continuously with the rise and fall of the tide.

I thank you, Mr. Speaker, for the patient attention with which you have followed my remarks, though I have not said all that I should like to have said.

On motion of Mr. King (Kootenay) the debate was adjourned.

On motion of Mr. Lapointe the House adjourned at 11.10 p.m.

Tuesday, April 27, 1926.

The House met at three o'clock.

PRINTING OF PARLIAMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That a message be sent to the Senate to acquaint Their Honours that this House has substituted the name of Mr. Elliott for that of Mr. Prevost on the joint committee of both houses on the Printing of Parliament, and that the Clerk of the House do carry the said message to the Senate.

Motion agreed to.

LORD DURHAM

BUST PRESENTED TO CANADA BY MR. STRACHEY

Mr. SPEAKER: I have the honour to inform the House that a bust of Lord Durham has been presented to the Dominion of Canada by Mr. John St. Loe Strachey, of London, England, and has been received in Ottawa to-day. It will be installed somewhere in the House of Commons this afternoon.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In connection with the announcement which Your Honour has just made, I am sure I voice the feeling of hon. members of this House when I say that we all deeply appreciate the generous gift which has been made by Mr. Strachey and should be glad if Your Honour would express to him the thanks of this House.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The fact of the gift has been brought to my attention only in the words of Your Honour. I have no hesitation whatever in adding my request to that of the Prime Minister although I should like to have been favoured with more information regarding the gift itself and whatever letter or communication may have accompanied it.

Mr. SPEAKER: I shall convey the thanks of the House to Mr. Strachey and at the next sitting give the information asked for by the leader of the opposition.

ELECTION OFFICIALS IN ATHABASCA

Mr. SPEAKER: I have the honour to inform the House that I have received from the Chief Electoral Officer copies of correspondence, letters, telegrams and other documents between the Chief Electoral Officer and any other person or persons relating to the payment of election officials in the constituency of Athabasca.

THE GOVERNOR GENERALSHIP

On the Orders of the Day:

Mr. A. W. NEILL (Comox-Alberni): Before the orders of the day are called I desire to direct the attention of the government to a newspaper report and to ask a couple of simple questions in connection therewith. The matter is of such public importance and urgent interest at the present moment that I almost feel tempted to move the adjournment of the House in order that it may be debated, but it can be dealt with in this manner. The report to which I have reference appears in the Montreal Gazette of Saturday last. It discusses the prospective Governors General whose names are being mooted, and appears to have all the earmarks of authenticity. The article is:

Special from the Gazette's resident staff correspondent by wireless registered in accordance with Copyright Act.

I shall not read the whole of it but the following three or four lines are decidedly of interest:

Meighen's name curiously enough was among those recently mentioned in two London newspapers as a likely successor of Lord Byng.

I want to ask two questions: Is the Meighen there referred to the right hon. gentleman who so ably fills the office of leader of the opposition? Secondly, if there is any truth in that rumour will it have the sympathetic support of the government, and, if not, why not?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am quite sure that the name mentioned must refer to my right hon. friend (Mr. Meighen). I had always understood that he had other aspirations, but if he has not and is really seriously considering the position it will be a pleasure for the government to confer with him on the subject.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I do not know what may be the prevalent opinion in the country from which the despatch comes, but this country spoke its mind on October 29 last and assigned to me another task.

CLEMENCY FOR PRINCE ALBERT PRISONERS

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): Two or three days ago I directed the attention of the Minister of Justice (Mr. Lapointe) to a petition which had been presented to the Department of Justice, signed by 3,500 persons, asking for clemency in the case of two prisoners now in Prince Albert, Cecil Terriss and Lewis MacDonald, who were convicted as a result of the strike that occurred last year. Has the Minister of Justice considered the petition and, if so, what possible action may be expected in the matter?

Hon. ERNEST LAPOINTE (Minister of Justice): I have received the petition and I may assure my hon. friend that it will be given due consideration.

PETITION FROM SUMAS LANDOWNERS

On the Orders of the Day:

Mr. HARRY J. BARBER (Fraser Valley): I desire to ask the Minister of Justice a question based upon the following article which appears in the Vancouver Daily Province of April 21:

> Sumas landowners have forwarded a petition to Ottawa asking that certain provincial legislation be disallowed. The act to which they object is one passed at the last session of the legislature which validates all actions of the dyking commissioners and stipulates that the assessment roll "shall not be quashed or set aside or the validity thereof otherwise questioned on any ground whatsoever."
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> Numerous property owners affected by the reclamation work are reported to have signed the petition. They attacked the assessment roll last year, asked for the accounting and alleged that the Land Settlement Board, as dyking commissioners, "illegally, negligently, recklessly, wrongfully and without authority and in breach of their duties as commissioners spent large sums of money in constructing works within the Sumas dyking district."
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> Their action in petitioning Ottawa goes back to Magna Charta for precedent, it being a principle of the British constitution that any subject may approach the king. Provincial legislation, it is claimed, removed any right of Sumas property owners affected by reclamation works to redress in the courts. It is upon this that they are asking for the disallowance of the legislation, claiming that the legislation complained of is ultra vires.

I would ask the Minister of Justice if this petition has been received; if so, will he have the correspondence laid on the table, and has he reached any decision in the matter?

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I can assure my hon. friend that no decision has been reached. I will make the necessary inquiry and give him information to-morrow as to whether the petition has been received. If it is for the disallowance of an act of the legislature, of course it will have to be considered by the Governor in Council, and I do not know whether these documents could be tabled before such action is taken on them. However, I will make the necessary inquiry.

Mr. STEVENS: Just following what my hon. friend has said, unless there is some constitutional objection, may we expect these documents to be laid on the table?

Mr. LAPOINTE: Certainly.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, April 26, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Hon. J. H. KING (Kootenay, Minister of Public Works): Mr. Speaker, it is with no small degree of pleasure that we on this side of the House are supporting the budget presented by the hon. Minister of Finance (Mr. Robb) a few days ago. It will be accepted with great appreciation by the people of Canada, for it shows a surplus of $55,000,000 over ordinary expenditures, and if the expenditures pertaining to railways and capital account are included there is still a surplus of $22,000,000.

We support this budget with more than ordinary pleasure because of the fact that it totally refutes and discredits the arguments of the Conservative opposition in this House and of the Conservative press throughout the country during the late election. There is no question, Mr. Speaker, that every Canadian citizen who goes back over the events of a few months ago will come to the conclusion that the party led by the right hon. leader of the opposition (Mr. Meighen) did not fairly place before the electorate the true condition of our national affairs. I think it is only right that we on this side of the House should at least try to dispel the gloom that exists in the ranks of our opponents opposite. During the last three or four years they have made it their business to detract from the efforts of the people of Canada, they have gone into the highways and byways and have stated from the public platform that we as a nation were on the verge of bankruptcy. That gloomy prediction is effectually discounted by the statement presented by the Minister of Finance, and I

believe that throughout the Dominion to-day there is a feeling that we are on the road to prosperity. In fact this is so abundantly clear that it has not been questioned by our friends opposite who have so far taken part in this debate.

Now, Mr. Speaker, I think it is only fair that I should review our national trade, and for this purpose I have taken the ten year period from 1914 to 1924. In 1914 our total trade amounted to $1,074,631,000; in 1924, to $1,952,130,000. In 1914, our exports per capita amounted to $56.10; in 1924, to $112.60. In 1914, our imports per capita amounted to $80.49; in 1924, to $96.22. Our total imports in 1914 amounted to $619,193,000; in 1924, to $893,366,000. Our total exports in 1914 amounted to $455,437,000; in 1924, to $1,058,763,000. In 1914, the balance of trade was against us to the extent of $163,756,000; but in 1924 it had shifted in our favour to the tune of $165,396,000. This improvement, as the Minister of Finance pointed out in his budget speech, has continued so that this year the balance of trade in our favour will be $402,695,000.

Laying aside our party quarrels, no Canadian can say that Canada is going backward or is bankrupt; on the contrary, he must congratulate himself and his country on the fact that we are going ahead at such a rapid rate. Indeed, per capita, we are the second largest exporting nation in the world. Of course, we hear the argument from the other side of the House that it is not a healthy state of affairs for us to be exporting more than we import, but that argument cannot be substantiated. To-day, by reason of our immense export business, the balance of trade is in our favour to the extent I have already mentioned, and this has resulted, quite naturally of course, in placing the Canadian dollar at a premium in New York.

Mr. MANION: May I ask my hon. friend, who on this side ever argued that it is bad to have an excess of exports over imports?

Mr. KING (Kootenay): I have heard that argument advanced on several occasions by hon. gentlemen opposite.

Mr. MANION: Never.

Mr. KING (Kootenay): Just wait a moment. I have heard it argued by my hon. friends opposite that we should not sell our raw materials.

Some hon. MEMBERS: Hear, hear.

Mr. KING (Kootenay): We will get to that later.

Mr. MEIGHEN: Get to it now.

Mr. KING (Kootenay): Certainly we are selling raw materials. What nation does not? We are selling our wheat and our flour in the markets of the world. The United States sells her cotton and her oil in the markets of the world; and certainly crude oil is a raw product. So we are doing what every other nation is doing, we are exporting the excess of our raw materials that cannot be manufactured and sold at home; and no one will question the wisdom of that policy.

Mr. MEIGHEN: Could the minister tell us what proportion of our exports is raw material, and what proportion of United States exports is raw material?

Mr. KING (Kootenay): It would not be difficult to find that information.

Mr. MEIGHEN: I have it. That would be very appropriate to give the House now.

Mr. KING (Kootenay): You can do it at the proper time, but not just now.

Mr. MEIGHEN: I will.

Mr. KING (Kootenay): In following my argument, Mr. Speaker, I wish to be very brief. When one hears the statement that Canada is being flooded with foreign goods, it would seem well to consider the trade between Canada and the various countries of the world, to see how our trade has progressed during the last ten years. In 1914 our imports from Great Britain amounted to $132,070,406; in 1924, they totalled $153,586,690. Our exports in 1914 were $222,322,292 and in 1924, $361,160,802. I do not propose to deal with all the various nations, but I do wish to consider the trade between Canada and the United States. In 1914 we imported from the United States $396,302,138 worth of goods; in 1924, our imports amounted to $601,256,447. In 1914 we exported to the United States goods to the value of $176,948,299; in 1924, our exports amounted to $441,642,909. We have heard a great deal about the unfavourable trade balance with the United States. If hon. gentlemen opposite look at these figures they will see that during the last few years there has been an equalization in that trade. I have given the figures for 1924, and the figures for 1925, if given, would show an even more favourable condition.

We have heard a great deal regarding our trade with France; hon. members opposite have criticized from time to time the trade treaty entered into by Canada and France. Let us look at trade conditions as they

existed in 1914 between France and Canada, and then consider them in 1924. In 1914 our imports from France amounted to $14,276,535; in 1924 our imports totalled $15,767,851. In 1914 we exported to France goods to the value of $3,632,444, and in 1924 our exports amounted to $18,879,097. In 1914 there was a balance of a million dollars against us, but in 1924 the balance of trade was some $15,000,000 in our favour.

Mr. STEWART (Leeds): Would the minister please tell us when the change took place?

Mr. KING (Kootenay): It is taking place every day. We are selling to France more than ever.

Mr. STEWART (Leeds): Has the change been gradual, or has it come within the last two or three years?

Mr. KING (Kootenay): My hon. friend will understand that I am taking these two periods, the year before the war and some years after. I am not complicating these statistics with war periods, because I do not think that would be fair or proper. We are now some seven or eight years away from the war, and we can make a comparison of conditions as they are now with those existing before the war.

Mr. STEWART (Leeds): Would the minister give us the figures for the period just before the treaty was negotiated, and for the period immediately afterwards?

Mr. KING (Kootenay): That will be shown later; it has been shown in this House on a number of occasions, and I am not dealing with it to-day.

Mr. SUTHERLAND (South Oxford): Would the minister give us the balance of trade for the year before the treaty went into effect and for the last year, which would be a fair comparison?

Mr. KING (Kootenay): I do not think my hon. friend could have heard me. I stated that I kept the accounting to the year before the war and to 1924, some years following the war. I do not wish to prolong the discussion; I am trying to show that during that ten year period, following a time of great stress during which this country acquired new obligations, we emerged with a favourable trade balance which was not enjoyed in 1914.

Mr. SUTHERLAND (South Oxford): Might I ask the minister if it would not be more fair to give the year immediately before the treaty went into effect, and the last year?

[Mr. J. H. King.]

Mr. KING (Kootenay): I do not think that is necessary for the purposes of my argument. My hon. friend has discussed the French treaty from time to time, not always on the basis of the treaty; he has placed his own interpretation on it. These figures are chosen for the purposes of this argument, which I hope will be of some benefit to my hon. friends opposite, who from time to time during the last three or four years have made it their business to go up and down this country informing the people that our business was not improving; that conditions were not healthy, and that Canada was on the verge of bankruptcy. I hope to dispel that feeling not only in this House but throughout the country. If the figures I have, which are reliable, are known to the Canadian people, I am satisfied that all sign of despair will disappear and that the optimism with which the budget has been received will be considerably strengthened.

Japan is a country with which we have a considerable trade. In 1914 our imports from Japan amounted to $2,604,216; in 1924 they amounted to $6,298,201. Our exports in 1914 totalled $1,587,467, while in 1924 they amounted to $26,991,860. The same thing applies to China; the trade balance has changed in our favour.

Mr. McQUARRIE: Might I ask a question? What did those exports consist of?

Mr. KING (Kootenay): Many articles made in Canada. Our Canadian manufacturers are entering the Japanese field. Wheat played a very large part in this favourable balance, but our merchants and our cattle producers in western Canada are also shipping their products into the Japanese market with marked success.

Mr. McQUARRIE: Of that total, what proportion is composed of manufactured goods?

Mr. KING (Kootenay): I am not an encyclopaedia. The information requested by my hon. friend can be easily secured; if I were to speak to-morrow I would secure that information for him. We do know that during the last ten years our trade with Japan has expanded until now, instead of the unfavourable balance which existed in 1914, we have a very favourable balance as shown by the figures I have just given.

Mr. McQUARRIE: Our exports consisted largely of raw materials.

Mr. STEWART (Edmonton): Rot.

Mr. McQUARRIE: Is that so, or is it not?

Mr. STEWART (Edmonton): No, of course it is not.

Mr. KING (Kootenay): As I told my hon. friend, a large amount of wheat has been exported to Japan, which might be called raw material. Possibly it would be advantageous to the Canadian people to make that wheat into flour, but it is no more raw material than is cotton in the United States.

Mr. McQUARRIE: Would my hon. friend consider logs in the same way?

Mr. KING (Kootenay): I am not talking about logs. I think my hon. friend would like to do some log rolling.

Mr. SPEAKER: Might I suggest to hon. members on both sides of the House that they do not interrupt the speakers.

Mr. KING (Kootenay): I do not object, Mr. Speaker, to interruptions along the line of the argument that I am trying to place before the House, but I do object to being drawn aside, and I will not be drawn aside, from the argument which I propose to make.

We were led to believe that in Canada the manufacturing industries were declining, that our railways were suffering from lack of tonnage owing to this decline, that conditions were precarious throughout Canada, and that unless the policy suggested by our friends opposite of an increase of tariff brick for brick with that of the United States was adopted, there would be ruination throughout Canada. I have in my hand here a statement made by the Financial Times of Montreal in its issue of April 9, 1926, which I think is most interesting, and one that should have publicity throughout Canada. It says:

> Railway traffic figures for 1925 show great increase in productivity of the Dominion.

It goes on:

> Coal showed a heavy decrease and so did other bulky commodities—increase in agriculture not great, but includes a heavy shift from the less valuable products to wheat—the total increase results almost wholly from growth in the traffic in manufactured goods.

It goes on:

> A gain of 2½ million tons is shown in the freight loaded by Canadian railways during 1925 as compared with 1924. This gain took place almost entirely in the class named "Manufactures and Miscellaneous," which includes over 25 per cent of the total traffic, and which increased in 1925 by 2,333,068 tons. Almost every item in manufactures showed an increase, but the chief gain was contributed by automobiles, wood pulp, iron products, refined petroleum, paper, agricultural implements, while unclassified manufactures and merchandise increased 533,000 tons.

The article is an extended one and I shall not continue, but it is an article that each member of the House would be well advised to read and digest. It is not published by the party press, not by a paper favourable to the Liberal party at all events, but by the Financial Times of Montreal. I have no doubt that they have secured this information from the Statistical department and that their figures are correct. If so, surely the position taken by our friends opposite has been entirely wrong and the manufacturing industries of this country are not doing badly at this present time.

We in western Canada are not given to pessimism, and it is surprising to me that after hon. gentlemen representing the far west had journeyed to Ottawa this year and spent two or three months here, and had obtained a clear knowledge of conditions in this country, that we should find them, when they returned to Vancouver and to western Canada, trying to instil in the minds of our western people the idea that things are not right in Canada. I take strong exception to the statement made by my hon. friend from Vancouver-Burrard (Mr. Clark) on his return to Vancouver. He is reported as saying, on March 11, at a meeting where he and his friends in the Conservative party were in conference:

> I found it very disheartening to come back to Vancouver and find so many people complaining of terrible conditions here. I believe things were never so disheartening as now.

Mr. CLARK: As I have been quoted, Mr. Speaker, may I rise to a question of privilege? The day following that report I made the statement in the presence of the press, representing three newspapers, that there was not one tittle of truth in the statement which my hon. friend is reading. I made no such statement as has been quoted.

Mr. KING (Kootenay): Nothing could give me greater pleasure than to hear that statement from my hon. friend. He was generally reported throughout the press in British Columbia as having made a statement of that character, and knowing the gloomy attitude which he takes of things as they exist in Canada to-day, one could very well assume that that statement represented his attitude.

Mr. CLARK: Mr. Speaker, I rise to a question of privilege.

Mr. SPEAKER: The Minister of Public Works accepts, as he is bound to do, the word of the hon. member for Vancouver-Burrard.

Mr. KING (Kootenay): I not only accepted it, but said that it gave me great pleasure to accept it.

Mr. CLARK: I rise to a point of order, Mr. Speaker. The hon. Minister of Public Works is commenting on a statement attributed to me in the public press, which statement I have denied. Now I want to state, Mr. Speaker, that the statement I did make was this—

Mr. KING (Kootenay): I think I have the floor, Mr. Speaker, and I will retain the floor till I am through. My hon. friend has already spoken in this debate.

Mr. CLARK: May I say—

Mr. SPEAKER: Order.

Mr. CLARK: I am rising—

Mr. SPEAKER: Sit down, please. The hon. member for Vancouver-Burrard rose to deny the statement attributed to him in the press despatch which the hon. Minister of Public Works was reading. The hon. Minister of Public Works then rose and did accept the hon. member's statement immediately, but he was proceeding to make an explanation when the hon. member for Vancouver-Burrard rose again to make another denial. The hon. member has already denied in toto the statement attributed to him in the press, and the hon. Minister of Public Works, as every member of the House must do, has accepted his word.

Mr. CLARK: May I state, Mr. Speaker—

Mr. SPEAKER: Not unless it is another point of order.

Mr. CLARK: I am just asking a question, Mr. Speaker. May I state, as a matter of privilege, what I did say on that occasion?

Mr. SPEAKER: No, because it would be against the rules.

Mr. KING (Kootenay): As I have said, I am delighted to have my hon. friend deny that statement. No one more readily accepts his denial than myself because I could not believe, in fact, I know that the conditions in British Columbia do not warrant that statement. I hold in my hand a statement that was published in the Vancouver Province, a paper not a supporter of this government, but an excellent paper that tries to present and does give to the people of British Columbia in a general way the news of the day. In its issue of April 11, 1926, it says:

> $5,000,000 building outlay for first quarter, 1926: $7,250,000 locally subscribed for British Columbia Electric loan. British Columbia Electric spending $30,000,000 in development. $160,000,000 British Columbia Electric payroll.

If I may be allowed an interjection here, it is with some satisfaction that I note our present industrial payroll in British Columbia is $160,000,000, because on looking back to the year 1922, I find that the industrial payroll of British Columbia was then $120,000,000. It goes on:

> Vancouver regular port of call for 42 steamship lines. 916 ships entered Vancouver harbour in 1925.

That is an inspiring statement, one that will do much to inspire the people of British Columbia, and I believe that if the people of eastern Canada would take advantage of conditions as they exist to-day and set fairly before the people of Canada those conditions, there would be more optimism and less pessimism than we have to-day, and it would be to the advantage of Canada as a whole.

When the Minister of Finance brought down his budget the other day the hon. member for South Wellington (Mr. Guthrie), owing to the illness of the hon. member for West York (Sir Henry Drayton), replied on behalf of the opposition. I think we all admired the ease with which the hon. gentleman spoke, and the manner in which he developed his reply. He accepted the good things in the budget, the reductions in taxation, as being all right. Then he placed on Hansard certain figures, but those figures—whether due to lack of time in preparation or lack of opportunity for verification on his part—will stand examination and should be examined and discussed here. The hon. gentleman caused it to be inferred that this government had by means of the reduction in the British preference placed the woollen industry in a precarious condition in Canada. This is what he said:

> In the first year two and a half per cent was taken off the duty on woollen goods. The Laurier-Fielding tariff had served the country, so well, that had kept the mills so busy, was tinkered with in the first year and reduced to 27½ per cent. In the following year there was another cut of ten per cent in the British preferential bringing the tariff on woollens down from 27½ per cent to 24.8 per cent net, and what was the result? All over Canada woollen mills began to close; men lost their jobs, the exodus started to the United States and woollen men would not invest more money. I say to the Minister of Finance: Look at your imports of woollens for those years. See them gradually rising in this country until last year, according to the government's trade returns of which I have a copy in my hand, we brought in $20,000,000 worth of woollen goods from Great Britain, all of which we could have made in Canadian mills if the Prime Minister had had resolution and courage enough to stand by the tariff which he helped to make in 1907.

Now, let us look at the woollen industry and see what has happened. In 1921 our total importation of dutiable woollen goods from Great Britain amounted to $45,795,573. In 1922 we imported $22,895,016 worth; in

1923, $31,298,216 worth; in 1924, $30,447,895 worth; and in 1925, $30,283,675 worth. Now it may be that the importation of $20,000,000 to which the hon. gentleman referred had reference only to certain woollens. The figures I have given, however, cover the total importations of woollen goods from Great Britain. It will be noted that in 1921, owing to conditions that existed in Canada after the war—I wish to be fair—and before any tariff changes had taken place we imported $45,795,000 worth of woollen goods. In 1925, the importation had dropped to $30,283,000 worth. However, I wish to go on and follow the matter a little further. We have a great woollen industry in Canada known as Penman's Limited. This firm manufactures woollen garments and is a really great organization. We find that in 1921 they manufactured woollen goods to the extent of $4,789,053. In 1925, the amount had risen to $6,431,153. Apparently the Penman's are enjoying to-day a larger amount of business, at least their sales are greater, than in 1921 by almost $2,000,000. Now, if you go back and take the importation of $45,000,000 odd in 1921 as against $30,000,000 odd in 1925 you must go beyond the tariff changes to find the explanation for the diminution. The explanation must be found in some other cause because we find a decline in the sale of woollens in the United States. In that country, which our Conservative friends would lead the people to believe is not only the most highly protected but the most prosperous country in the world, no industry, they say, goes out of business because the government immediately comes to its rescue. Now, what do we find in the United States? In 1923 the average monthly consumption of woollens amounted to 53,467,000 pounds, whereas in 1925 it had dropped to 43,857,000 pounds. What is the reason for that? It is not because there was not a tariff. We know, every man knows that in his own home to-day, woollen goods are not being used to the extent that they were used years ago: They are being replaced by goods that are made from a mixture of wool, cotton, silk, and artificial silk. The result is that to-day the woollen industry, not only in Canada but throughout the world, is obliged to adjust itself to new conditions.

But I should like to deal for a moment with a further statement made by my hon. friend, as follows:

"I am willing to stand by my statement. Cultivators in the days of the Laurier-Fielding tariff, when the present Prime Minister was a member of the government of that day and supported the tariff in that government, enjoyed a duty of 17½ per cent. This government has cut the duty down now to 7½ per cent. No wonder that the trade has been almost abandoned in this country and our farmers are very largely being supplied with goods from the United States."

Now, Mr. Speaker, I contend that that statement does not correctly represent the condition as far as the manufacturer of agricultural implements in this country is concerned. We find that in 1922 the people of Canada imported binders amounting to $319,807 in value. In 1925 they imported $216,427 worth. The hon. member for South Wellington did not refer to reapers, but I shall give the figures for that branch of the industry also. In 1922 we imported 6,805 reapers, and in 1925 reapers to the number of 198. In 1922 we bought $36,143 worth of mowers, and in 1925 mowers amounting in value to $27,936. We will now see what the export business by the manufacturers of agricultural implements amounted to in those years. In 1922 we exported $449,013 worth of binders. In 1925 the export amounted to $1,220,000 worth. In 1922, we exported reapers to a total amount of $12,901 worth, and in 1925 the value of the export of reapers was $105,893 worth. Of mowers in 1922 we exported $369,762 worth, and in 1925, a value of $957,695, showing that during that period the agricultural implement men had improved their position in the matter of export and had conserved the home market to a greater extent. Now as to the plow industry which was said to be ruined: In 1922, we imported $554,846 worth of plows, and in 1925, plows to the amount of $613,998. In 1922, the export of plows amounted to $1,465,919 worth, and in 1925 we exported $1,630,908 worth, showing a favourable condition as regards exports and also as regards the home market.

Now let us take the total trade in agricultural implements. The total importations in 1921 amounted to $24,317,190 worth, and the exports to $12,527,000. In 1925 we imported only $6,428,000 worth. We sold $11,342,000 worth. There is no question with regard to the manufacture of agricultural implements. We were told in 1924 the reduction the government then made would destroy that industry. We know that to-day the Massey-Harris stock is selling for more than it was previous to that date. We know that many of the factories in this country are enjoying great prosperity, and we know from the trade returns that the change has not seriously affected the agricultural implement industry.

I have stated that this budget is appreciated by the Canadian people. It is a budget that goes into every home in this country. My

hon. friend the former Solicitor General (Mr. Guthrie), complained the other day that the government's budget was two or three years too late. He overlooked the fact that in 1924 this government had a surplus of many millions of dollars, and at that time, brought about by reduction in customs duties and sales taxes, the government contributed some $20,000,000 odd to the relief of the Canadian taxpayer. That should not be overlooked, and when my hon. friend claims that the delay had been too great he did not give consideration to the fact that this government in 1924 did make reductions in taxation amounting to something over $20,000,000 or $25,000,000. A reduction in sales taxes will always be acceptable to the Canadian people, and it is the desire of the government, and I think of the people of Canada, that we be relieved of that burden as early as possible. It is true that the sales tax is a convenient way of raising revenue. We are told that this government had increased the sales tax from two and a half to six per cent, but if hon. members will go back to the period of 1923 and 1924, and read Mr. Fielding's statement on the sales tax, they will realize that the sales tax as administered by the late government did not bring revenue, because it was not collectable, and where it was collected it had pyramided itself. It has been found that the amendments made by Mr. Fielding have been effective in securing revenue, and it has been the policy of this government, when conditions permitted in the country, to reduce that tax on these commodities that would first give relief to the people in the homes of this country.

The reduction in postage will certainly not be criticized. I think the Canadian people are to be congratulated that we are to go back to the day of penny postage, and as the hon. member for Bonaventure (Mr. Marcil) said the other day, the Canadian people being the first to introduce penny postage, would come back again to that period with great gratification and pleasure.

The abolition of the receipt tax will give to the merchant and to the individual who is buying or selling relief from what has been termed a nuisance. It was not a large revenue producer, and the government, as the minister has said, considered it wise to abolish that tax. I am satisfied that the change will be acceptable to the people of Canada. The reduction in income tax has given general satisfaction to those who have been paying the tax.

I have listened for the last week to discussion on the budget as occasion permitted me, and generally speaking from the opposite side of the House the argument has not been greatly against the budget as introduced by the minister. Exception however has been taken to the reduction in the automobile tax and it was on that score that the

4 p.m.

hon. member for Fort William (Mr. Manion) moved his amendment a few days ago, stating that the government should not have made the reduction in the automobile tax without referring this matter to the tariff board. One would think, after hearing hon. gentlemen opposite, that this was a new thing in the public mind of Canada. I cannot conceive that members who were in the last parliament who heard the debate and witnessed the vote in that parliament could have been deceived as to the minds of the Canadian public representatives in this parliament in the matter of automobile taxation, because last year, when the resolution was introduced by the hon. member for Macleod, (Mr. Coote), we found members from every group in the House supporting the proposed reduction. The government would have been remiss if, after that debate and that vote, they had not given very careful and thorough consideration to the question of reduction of duties on automobiles. It may be convenient for hon. members opposite to say that this question should not have been dealt with by parliament but should have been referred to the tariff commission, but that course would not have satisfied the majority in parliament or the majority of the people of Canada, because conditions had arrived in connection with the manufacture of automobiles that required adjustment. I claim that the government have acted wisely and properly in the matter. It is true that some men will, as the ostrich does, place their heads in the sand so that they will not see what is coming, but any business man engaged in the industry of manufacturing automobiles, after hearing the debate in this House, should have realized that, in the public mind throughout Canada, there was a feeling that the day had arrived when there should be an adjustment in the duties on automobiles. So that we cannot, Mr. Speaker, take too seriously our hon. friends opposite. I have heard only one hon. member—and this my hon. friend from Burrard (Mr. Clark) will not deny—on the Conservative side state in his place that if his party were returned to power he would vote for and see that there was a return to the former duty.

Mr. CLARK: What else?

Mr. KING (Kootenay): That is the statement my hon. friend made. If he wishes to add to it he can do so now or later.

Mr. CLARK: He did add to it and said that he would "refer it to the tariff commission."

Mr. KING (Kootenay): I know that, but as far as he was concerned he was prepared to see that the duties were restored to the former basis.

Mr. CLARK: Yes, and the pledge carried out.

Mr. KING (Kootenay): Let us for a moment or two go a little further into this matter of tariff. It is true that in 1924 this government did reduce the tariff on agricultural implements. It was considered a very large reduction. We were told that the industry would be destroyed. It has not been destroyed, but for the purpose of this occasion and argument, I have tried to familiarize myself with what occurred when a similar condition arose in this parliament. In 1911 the leader of the opposition was returned to parliament and at that time he moved as an amendment to the budget:

> That in the opinion of this House, a substantial reduction in the import duties on agricultural implements is now due the agriculturists of Canada, and is in just accord with the true ends of a protective tariff.

It is interesting to read the remarks of the right hon. gentleman made at that time, when although he was much younger than he is now he had the same faculty for acute reasoning and getting at his point. His argument on that occasion was that, the agricultural implement industry having pretty well secured the home market in Canada and having ventured into foreign fields, the time had come when there should be substantial reductions in duty. It is rather a remarkable coincidence that the agricultural implement industry at that time enjoyed a duty of 35 per cent, and the leader of the opposition evidently came to the same conclusion then as this government has arrived at in respect of the automobile industry. The reduction then was from 35 to 20 per cent.

Mr. EDWARDS (Frontenac): Does the minister say that the duty on agricultural implements in 1911 was 35 per cent?

Mr. KING (Kootenay): I understand so.

Mr. EDWARDS (Frontenac): The minister is absolutely wrong.

Mr. KING (Kootenay): Probably it had been reduced, but the leader of the opposition was referring to the period preceding 1896. The duty on agricultural implements had been 35 per cent and the Liberal party were asking for a reduction. To substantiate his case the leader of the opposition quoted Sir George Foster, who at that time was Minister of Finance:

> The reduction in agricultural implements from 35 per cent to 20 per cent is one under which it would tax the ingenuity of the manufacturers to keep the field against what is now keen competition especially in the northwest.

Commenting on that quotation he said:

> Thus did he postulate that the test by which these duties were to be judged, the guide by which he was to be governed, was such a duty as, at the narrowest point, would test the ingenuity of the manufacturers to keep the field against foreign competition.

He quoted Sir George Foster further:

> Our industries have not yet overtaken the home consumption of the people, but are gradually growing up to the point of meeting the consumptive demand of the country.

Later on, in order to lay down another guiding principle, he quoted the Hon. John Haggart as stating:

> That they believe that our people can compete with less protection than formerly and to prove that it can be pointed out that we are now sending agricultural implements to many portions of the world.

The right hon. gentleman continued:

> Now, sir, what are the manufacturers of agricultural implements enabled to do They are able under this tariff to exact a higher price than they could exact if the tariff were lower. I do not say that a reduction will to any very enormous extent affect the price; I believe it will materially, and I think it will render some relief to particularly the farmers of the west. It will afford some relief to them and I believe it is the bounden duty of the government to so afford it

Mr. EDWARDS (Frontenac): The duty on agricultural implements in 1911 was 17½ per cent and it was reduced in 1914 to 12½ per cent.

Mr. KING (Kootenay): I corrected myself. As I said, the leader of the opposition was quoting arguments that had been used by Sir George Foster when he was Minister of Finance, Sir George having pointed out that prior to 1896 there had been a reduction from 35 to 20 per cent. The leader of the opposition in the debate to which I refer enunciated certain guiding principles. He laid down three basic principles: First, that a duty must never be higher than is sufficient at the narrowest point to test the ingenuity of the manufacturers to meet the keenest possible competition. That is good reasoning, and it was advanced by the right hon. gentleman at that time as an argument in favour of his proposed reduction in duties. Secondly, that the duty must be maintained not until the Canadian industry has overtaken the whole consumption, but only until the indus-

try is gradually growing up to the point of meeting the consumption demand of the country.

He was not suggesting that the industry should saturate the home market before the duty was reduced but that it should only partially cover the market. Thirdly, that the moment the home industry is able to export its products into foreign markets, that moment the duty should be taken off or at least materially decreased.

In view of the foregoing arguments surely we have arrived in Canada at the point where substantial reductions in the duties on automobiles should be made, especially when we know that last year the manufacturers exported from 40 to 42 per cent of their output. I do not think therefore that we need be disturbed by the activity of some motor dealers and manufacturers in this country, who on the day the budget came down closeted themselves in their offices and without notifying their employees had notices prepared and posted on their doors next morning informing the public and employees that their plant had been closed until they could ascertain just what the budget meant. Now that meant no expense to the manufacturers, but the two or three days during which the plant was closed down the employees suffered in the matter of loss of their wages. If the General Motors concern had been dealing with a rising market and were going to charge from $150 to $200 more for their cars I could understand that they might close their doors and advise their customers of the increase. But that was not the situation. They were readjusting prices to meet the new duty arrangements, and it meant a lowering of cost to the consumer. No one can tell me that a firm who had so much business as obliged them to move their output daily from their plant would find it necessary to deprive their employees of two or three days' work in order that they might revise their prices. No, Mr. Speaker. It was merely a demonstration against the government in this country, and as such it was both unwise and unfair.

Mr. EDWARDS (Frontenac): Against a government.

Mr. KING (Kootenay): It would have been the same if my hon. friends had been over on this side; they would have had to reduce the duties. These people, in closing their doors merely because there was an adjustment of the tariff which the people of the country through their government considered proper, have not acted in the best interests either of their industry or of the Dominion.

Now we hear a good deal about increasing the manufacture of Canadian products. Well, there are many automobile parts that we do not manufacture, but there are many parts that we have the raw material for. Therefore the Minister of Finance said in his budget: It is in the interests of our people that there should be a greater development in the Canadian manufacture of those parts; that is, if the so-called Canadian manufacturers of automobiles are to have the benefit of the rebates in duty, at least fifty per cent of the product must represent Canadian labour and material. Every member of this House should endorse that statement.

Mr. CHAPLIN (Lincoln): May I ask the minister a question? A minute ago he said there were many parts of cars that were not manufactured in Canada. Would he enumerate a few of them just by way of example?

Mr. KING (Kootenay): No, Mr. Speaker, I am going on.

Mr. CHAPLIN (Lincoln): Why,—

Mr. SPEAKER: Order.

Mr. KING (Kootenay): My hon. friend will have time to dilate on that when he is addressing the House. I know that we have most of the raw materials to make the parts that go into the manufacture of an automobile.

Mr. CHAPLIN (Lincoln): And every part is being made here.

Mr. KING (Kootenay): I know my hon friends opposite are telling the people of this country that we should not export our raw materials. Now here is an opportunity for them to endorse the policy of the government. We have said to the manufacturers: If you wish to enjoy the advantages which our tariff gives you of getting into the British Empire market, then produce in Canada fifty per cent of your car with Canadian labour from Canadian products. If that policy is not endorsed by the Canadian people, then I misjudge their viewpoint. I believe that hon gentlemen opposite will, on further reflection, endorse that policy, and I believe it will also be accepted by those who are engaged in the manufacture of automobiles to their own advantage as well as to the advantage of the country generally.

Throughout Canada propaganda has been circulated that due to tariff changes made by

the government there has been a lamentable migration of our people to the United States Well, Sir, I think with your long parliamentary experience you will agree with me that that migration was in operation even before Confederation. It is true that during the last few years it had assumed serious proportions, but surely my hon. friends across the way do not really claim that the reductions we made in the tariff in 1924 were responsible for that migration. Certainly, statistics are decisively against them. The American government's figures show that in June 1924 over 200,000 Canadians entered the United States; but similar figures in June 1925 show that that migration had been reduced by fifty per cent; and we know to-day that our departmental returns disclose that many thousands of our people are returning. Let my hon friends opposite be fair. In 1920, 1921 and 1922 thousands of Canadians were going to the United States. But is that exodus to be checked by a policy such as the opposition proclaim? I have had occasion to go back to 1884, when the National Policy was in full swing—this policy which was to build up manufacturing in this country and make Canada a great place to live in. It is only necessary to read Hansard to realize that the statements then made by Sir Richard Cartwright in criticism of the government of the day are very similar to the statements which we hear so frequently now from our hon. friends opposite. All through the eighties up till 1896, as is well known to hon. members, there was a large volume of migration from this country to the United States. I think we are doing harm to Canada and to our young people in talking so much about this so-called exodus to the United States. Many of our young men and women will go across the line, for the means of transport are convenient and there is scarcely a Canadian family that has not friends in the republic, which of itself is a lodestone to our young people. I think there is an opportunity of diverting that migration to western Canada, to the advantage of eastern Canada and of the whole Dominion. I am not going to read Sir Richard Cartwright's criticisms, for they can be found in Hansard by anyone who is desirous of getting the viewpoint of that day and observing how closely his views resemble those now expressed by some of our hon. friends on the other side. The comparison is interesting and will show conclusively that the migration of our people across the line has been going on for many years.

Now, Sir, I believe that, irrespective of party, we all realize the great opportunities and the great advantages that this country offers, and I believe also that we are all confident that with the continued improvement of conditions Canada will enjoy an era of prosperity equalling, if not excelling, that which preceded 1914.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, I am quite sure that the hon. Minister of Public Works (Mr. King) will excuse me if I do not follow him through the specially assembled figures he has presented to the House—figures which will not convince any man in Canada without a job that the country is as prosperous as it should be when we consider its great natural resources. But my hon. friend gave some figures regarding the French treaty, and during the latter part of his remarks I took the trouble to check them. He pointed out that the government had done a great thing for the country by negotiating that treaty, and he gave certain figures of our trade with France before the war and after the war. I happen to have under my hand figures for the years during which this treaty has been in force. I find that in 1923 our imports from France were $12,204,000, and our exports $14,118,000; in 1924 our exports were $15,767,000, and our imports $18,887,000; 1925, imports $18,460,000, exports $10,290,000. In other words, during those treaty years—because half of 1923 was under this treaty—we have had a decrease in our exports to France of $3,828,000 and an increase of our imports from that country of $6,255,000. To put the matter in another way, before this treaty came into effect we had a favourable balance of trade with France of $1,913,000, whereas in the last fiscal year that has been converted into an unfavourable balance amounting to $8,170,000. This, I might say, would apply in almost equal degree to our treaty with Italy, and I believe also to the other treaties which have been negotiated by this government.

The minister also went on to quote certain figures regarding the woollen industry, figures largely from the United States, and concerning one particular company in Canada. No amount of figures can explain away the fact that from 70 per cent to 75 per cent of our woollen mills many of which had been in existence for from forty to sixty years, are now closed owing to the uncertain or adverse actions of the present government during the past four years. The minister also recited certain alleged facts regarding the reduction in taxation last year. He was only quoting what the Minister of Finance said, and he stated that there would be a reduction of aproximately $20,000,000 in our taxation. I would like to point out to the House, Sir,

that this reduction has not materialized. This year we have paid very much more in duties and a much larger amount in sales and other taxes.

Mr. KING (Kootenay): Not in percentages, though.

Mr. ARTHURS: The percentage was not changed; certain articles were only last year removed from the sales tax. The sales tax was changed during the previous year. I am not a pessimist, Mr. Speaker, I have always been an optimist and I believe the Conservative party of Canada are not pessimists. But I would point out that great credit is sought for this government on the ground that during the past year we had a period of prosperity in Canada. While I believe that, owing to acts of Providence, certain benefits have been received especially by our farming communities, we know that in the great majority of cases conditions to-day are no better than they were twelve or twenty-four months ago. We have simply struck a favourable tide for the time being, owing to certain circumstances over which this government has no control. It is very easy for a boat to drift with the wind, but if you drift with the wind only it will very often change and the boat will get nowhere. It is absolutely necessary to do something in order to reach the shore. In regard to our circumstances during the past year I might read the Speech from the Throne in that regard, which says:

> I congratulate you on the growing prosperity of this favoured land. The products of our agricultural and other basic industries have greatly increased. Our export trade shows remarkable expansions. Our manufacturing and related industries throughout the Dominion have experienced a development not enjoyed in many years.

I would like to ask the ministry, who put these words into the mouth of His Excellency, where they found the information to justify that statement. I am quite sure that in the part of Canada with which I am familiar hundreds of factories have closed; no new factories have been built, and thousands of men are to-day without proper employment. As I said before, there is a reason for our apparent prosperity. We have had a good crop year in most provinces, and we have enjoyed a period of great prosperity in our mining industry. This industry, fortunately, is not under the control of the Dominion government, but looks for its prosperity to the various provincial governments. Speaking for the province in which I live and which I represent to a greater or less degree, we have to thank the present provincial government and Minister of Mines for the vast increase in capital which is to-day going into northern Ontario. I would also point out that a part of our prosperity is due to the greatly increasing tourist traffic in Canada. This tourist traffic within a few years, I believe, will be one of the greatest industries in Canada. We have at present millions of dollars invested in taking care of these tourists, and millions more are being invested every day. It is an occupation which requires neither tariff nor free trade; it simply exists, and I think the Acting Minister of Immigration (Mr. Stewart, Edmonton) would be well advised in doing a certain amount of advertising in order to assist this industry. If he would simply show the various points of interest to those who desire to come to Canada he would be doing a good work. Many of these men who come from other countries become permanent residents of Canada, and in the meantime they invest a large amount of money in this country.

I was going to show that the proposition of the government regarding the prosperity of Canada was not altogether in accordance with the facts. I have in my hand a copy of the Public Accounts, and I see that during each of the years from 1920 to 1925 there has been a decrease in the note circulation of this country. That, I think, is a fair indication of the prosperity of the people. The total of our one dollar and two dollar bills in circulation in 1920 was $29,789,653; to-day it is $27,911,606.50, a decrease of over $2,000,000, or 8 per cent. In the total circulation of Dominion notes we find that there was $311,932,791.92 in 1920 and $206,712,088.46 in the last fiscal year, a decrease of $105,000,000, or 34 per cent. If we take the notes issued by the various chartered banks, we find that in 1920 the total circulation amounted to $225,769,628, while to-day it amounts to $157,888,900, showing a decrease of $68,000,000, or 30 per cent. These decreases are most interesting, because they give a real picture of the circumstances of our people.

I might also point out that our commercial failures are not decreasing. I have in my hand an extract from the Ottawa Citizen of Saturday last, giving the commercial failures in Canada for the previous week, as reported by R. G. Dun & Company:

> During the past week failures totalled fifty-five, in comparison with twenty-one in the corresponding week a year ago.

This is the condition under which the government claims prosperity.

A fourth industry which has been prosperous is our paper industry, which has been going

ahead by leaps and bounds in spite of any action the government may have taken. This is one of the principal reasons for such prosperity as we have. I would also point out that in our cities, regardless of their situation, there is very little building as compared with that of a few years ago. We find thousands of houses left in the hands of the builders, for which they can secure no purchasers. If we contrast that condition with the state of affairs under which this government took office five years ago, a great difference will be seen. It was necessary for this parliament at that time to vote twenty or twenty-five million dollars for a housing scheme in an effort to keep abreast of the demand for houses. To-day the exact opposite is the fact with the exception of one or two cities in Canada, and I might point out that these are the very cities which have enjoyed apparent prosperity during the last two or three years, and they are the very ones which are being hit by the government in this budget.

The industrial population of Canada is very large, and they are to-day in a position which, to say the least, is not envious. They are working part time, hanging on under conditions which are very, very unsettled. They are waiting for one thing; they are waiting for some government to come into power which will give adequate protection to Canadian trade. I do not think there is in Canada to-day a city or town that has not had idle factories or idle men or men who are working part time. Thousands of factories have closed, and many of them have failed during the regime of this government. I hold under my hand Hansard of last year, which shows that in a debate on April 14, 1925, the then Minister of Labour placed on Hansard certain figures which have been disputed from time to time, but, as I say, they were placed there by a then member of the government, and he points out that during the fiscal year of 1922 there were 857 manufacturing failures in Canada; in 1923, 792; and in 1924, 625. These were all manufacturing industries which had failed during those three years, and their liabilities were as follows: In 1922, $39,000,000; 1923, $31,000,000; 1924, $36,000,000. In other words, more than 2,200 manufacturing firms failed in business in Canada during the regime of the present government. Outside of the few exceptions that I have mentioned, namely, factories concerned with lumbering or the pulp industry, it is a fact that we have no new factories in Canada to-day, nor is there any encouragement in the present budget to induce capital to invest in this country.

But the most unsatisfactory feature of the whole situation is the uncertainty that prevails throughout the country. It is not the action of the government so much as the threats which the government have from time to time made against the people of Canada. The government themselves apparently knew that, for they placed in the mouth of His Excellency in the Speech from the Throne words that would indicate that they desired to quell public unrest, and they assured the people of Canada that no tariff changes would be made without careful investigation. I know that these words have been placed on Hansard before, but in order to complete my remarks I shall read them again:

> They—

That is, His Majesty's government.

> —believe that in the interest of industrial development every effort should be made to eliminate the element of uncertainty with respect to tariff changes; that changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the Ministry with respect thereto.

I believe, Mr. Speaker, that this country is in a perfectly healthy state, ordinarily speaking. We have great natural resources, and we have public spirited men who are perfectly willing to go on and develop these resources under proper conditions, but the principal drawback is the fact that we have to-day a government which has condemned itself. The Prime Minister has stated that this government is, and has been, in no condition to make any forward movement in Canada. Take his own words at Richmond Hill. Speaking of the government's continuing in office, he said that if continued in power:

> At the most we would be reduced to marking time. This is not a moment in our country's affairs at which to mark time. It is a time to march forward.

Further on, dealing with the majority which he then had, or did not have, in parliament, he said:

> I would say further, I do not believe that any one of the four can be dealt with effectively by a government which is not supported by a substantial majority in the House of Commons. Group government and minority government may be inevitable in transitional phases of our political history, but neither is the kind of government wherewith to achieve great reforms.

I was going to say this government reminds me of a story I heard many years ago of a young lady who made up her mind that she was averse to marrying certain kinds of men. In the first place, she said she would not marry a red-headed man under any condition. Nor would she marry a cripple or any man who was deformed. She

would not marry a widower, and she certainly would not marry an old man. But as the days went on, she decided to strike the red-headed man off her list of ineligibles, and decided that she would accept him, if necessary. After a while, as there were so many crippled men after the war, she decided that a slight disability would not make any difference. Time went on, and she decided that perhaps a widower, if he was a young man, would be all right. But he did not come along, and then she decided that she would take practically any man that came along, and she finally married an old, red-headed widower, with six children and a wooden leg. That has been practically the fate of this government. The right hon. leader of this government said that he could not and would not continue in office under certain conditions which at that time were certainly more favourable than the conditions under which he is attempting to govern at the present time. He further said that certain reforms could not be made without a sufficient majority, that without such a majority no important legislation could be put through the House, and yet to-day he is trying to make the people believe that he is giving them something like good when he has no majority at all.

Mr. LAPOINTE: Where is the red hair?

Mr. ARTHURS: The government reminds me of an automobile with a slipping clutch. They use just as much gasoline as if they were doing something, but cannot get anywhere except downhill.

Mr. LAPOINTE: That is better.

Mr. HOCKEN: It is a breakdown.

Mr. ARTHURS: Yes, and it has a brake, but the brake might slip too, and then they would go down faster than ever.

Now, I desire to say a few words regarding the budget itself. The country will undoubtedly welcome the decrease in the income tax, a decrease which should have been made at least two years ago in exactly the same degree. Even according to the statement of the preceding speaker, the hon. Minister of Public Works, it would have been far better for this government to have reduced the income tax as they pretend to be doing than to have made a fake change in the tariff two years ago, and it would have been better for business in every way. The United States have decreased their income tax twice since it was first instituted. It was never as high as the tax in Canada. I do not know that I need go into the figures; they have been placed on Hansard, I think, before, but I will cite a few of them. The rate for married men earning $3,000 in United States, under the act of 1924, was $7.50. In Canada it was $40 and it remained at this figure until the present budget. On a $4,000 income in the United States the tax in 1921 was $60, and in 1924 $22.50, but at present it it is only $5.63. The Canadian rate during all this time has been $80. And so I might go on, all down the list. It is easy to prove to any reasonable man that a reduction in this income tax has long been due in Canada. We find that in Great Britain there have been two reductions in income tax amounting on the whole to upwards of thirty-three per cent. Australia has reduced her direct taxation, and I believe another reduction is due. Up to 1925 the tax had been reduced from $19.44 per head to $11.32 per head, a reduction of $8.12 per head of population. If we applied these figures to the population of Canada it would represent a reduction of approximately $70,000,000 to our people, and this reduction, as I said before, would have assisted in keeping capital in Canada and aiding business throughout the country. New Zealand has also reduced her taxation twice, and the reduction is far greater in amount than that now proposed by the Canadian government. I repeat that had this reduction taken place long ago, as it did in other countries, we might have retained more working capital in Canada.

The same arguments would apply to the reduction in the postal charges, with this addition: We found that when penny postage was first inaugurated in this country instead of the government losing money by the change they made money; the receipts of the Post Office Department were greater after the reduction than they were before. Personally I have no doubt that approximately the same result will follow the present reduction.

The tax on receipts was mentioned by the Minister of Public Works. I do not know that I need to go into details on the question. To begin with it was a stillborn child of this government. Nobody ever had any use for the tax, and the government simply took off one that was put on by themselves.

Now, let me deal for a few moments with the matter of the sales tax. As has been pointed out, the sales tax, previous to this government coming into power, was approximately three per cent—rather less in some cases. In 1922 the government raised the tax to four and a half per cent, and in 1923 they raised it to six per cent. In 1924, experiencing a great change of heart, they brought the tax down to five per cent and then claimed a

reduction in taxation; but whereas the tax was three per cent under the Conservative government the present rate is five per cent. The collections under this tax amounted to $66,707,390 in 1924-25, or $7.50 for every man, woman and child in Canada. The collection for the last fiscal year, that is to say 1925-26, amounted to $71,900,000, or $8 per capita. This only includes the amount received by the government, and those of us who are business men know that before this tax reaches the ultimate consumer it is increased fifty per cent over that figure as a profit on the amount paid for the tax. The people of Canada are labouring under a very severe burden in respect of this sales tax. The government are getting after everything. I find in my own constituency that where a poor settler, starting to make a home for himself on a bush farm, cuts a few logs and takes them to a mill to make lumber in order to build a house, he is charged the sales tax upon the sawing of that lumber. It would be just as reasonable to charge a sales tax upon the threshing of wheat or the milling of grain for a farmer's own use. However, this is the condition as we find it to-day, and I hope the Minister of Finance will look into the matter fully when he comes to read Hansard, and provide an adequate remedy.

There is one good thing about the sales tax, though. This time the government have seen fit to reduce it upon certain specified articles, and we learn that we are to have the tax entirely removed upon pot barley, pearl barley and split peas. Surely the government does not think that soup is going to become absolutely necessary for the welfare of the people of this country. Yet these three items named in the resolution are the only three upon which the sales tax has been removed.

Before leaving the subject of taxation I wish to say a few words as to the statements made by the Minister of Finance regarding taxation, and the new divisions which he has made—that is to say, the taxation for war purposes and the receipts derived from war revenue. I have no very great exception to take to the classification he makes, but I should like to point out that he has charged as a war expenditure the difference between the amount of interest upon the public debt as of 1914 and the amount as at the present time. It is quite apparent to anyone who thinks of the matter for a moment that in any event the debt would be larger in 1926 than it would be in 1914. It will also be apparent to anyone who knows the conditions and the amount of advances to our railways that the debt would be considerably more than it was in 1914. Taking the ordinary average increase for the preceding ten or twelve years—I have taken a ten-year period—not allowing for special conditions and advances and loans to railways, I find that a most unfair charge of $6,575,000 has been made against war expenditure. We find that payments in connection with the Soldier Settlement Board have been so charged. I might point out that the great business of this board at the present time is building up farms for incoming settlers from foreign countries, principally from Great Britain of course—farms that have been thrown up by the soldier occupants, and they are expending upon them large sums of money in order to put them in better condition for intended settlers. Certainly there is no reason why that money should be charged against war expenditure. When we have regard to the amount of the public debt—because after all that is the primary and greatest charge against our income—I point out that the government have given no attention to special receipts arising out of the war. They have received from Great Britain over $60,000,000 in adjustment of war expenditure. They have also received large sums from Belgium, France, Greece and Roumania. But there is no corresponding credit given, and if those matters were properly adjusted we would find we were receiving more under the so-called war taxes than we have expended or are expending.

I come now to the tax proposals of the government. In the first place, only one of the tariff proposals made, is attracting attention in the country to-day; I refer to the reduction in the duty on automobiles. I have no brief for the automobile industry. There are no automobile factories in my county or in its vicinity, nor I believe are any accessories sold there. But I would point out to the government that we do not know whether or not the automobile manufacturer or the manufacturer of the accessories has been taking excessive advantage of the tariff in the past. The duty on these things had been the same for many years past until this budget was introduced. We all know, as was pointed out by the Minister of Public Works a few minutes ago, that there was an attempt last year in the form of a resolution introduced in this House, to lower the duty on automobiles. That resolution was voted down, and I note that every member of the government who was present at that time voted against it. Ten hon. members who were then or are now ministers of the crown were here when that question came up, and the speech made by the Minister of

Public Works (Mr. King) was directly opposed to any reduction of the duty. Furthermore, there is a duty just as high or higher upon many other articles which are at least as necessary as automobiles. If the government have decided that low priced cars are a necessity or that they are an implement of production, why not remove the excise and sales tax?—because the excise tax is purely and simply a luxury tax. We have also been told that the sales tax should be removed from every article of production. If that were done, the reduction by the amount of the sales tax and the excise tax would mean that the price of a car would be cut far more than it will be reduced under the provisions of the present budget, and in the meantime the position of these factories, and the employment of those thousands of men and their fellow workers whom we saw in Ottawa a few days ago, would not have been jeopardized.

5 p.m.

I do not know anything about the automobile industry. I do not know whether they have been taking advantage of the 35 per cent duty accorded them in the past, and I am quite frank in saying that I do not believe any member of the government knows more than I do about the matter. They have no means of knowing, yet they are going ahead—for what purpose I do not know, although I rather suspect it. The government argue that the automobile manufacturers have made too much money under the 35 per cent tariff If that is so, why not give the House a list of the companies, a memorandum of their earnings or of their profits and losses?—because there has been loss in many cases. Let them give us the amount of business done by each company and the income tax collected from each. This would be a simple matter and would show that the government know something about it. I am quite safe in saying that the Minister of Finance has not such a statement under his hand, and that he, like the others, is simply going blindly forward. If we had a statement of that kind; if government officials are competent and honest—and I have no reason to believe they are not—it would show the true state of the automobile manufacturing industry in Canada, and the same would apply to the accessories.

In the meantime all we are asking the government to do is simply to fulfil the direct pledge which was given that there would be no change in the tariff without strict investigation. I have already presented that pledge to the House in another connection. We as a party, or I personally at least, only ask the government to stay their hand until the investigation which they themselves have promised—a procedure which at least is fair and honest—has been made. Every member of the then government or of the present government who was here last year voted against the motion for a similar reduction or a reduction of any kind. Why this sudden change? Why this utter disregard of the loss of employment and other injury which may result to industry? There is only one answer. The first reason is that they need the vote of the western members, who were the instigators of the movement in the first instance. In the second place we have to-day Conservative members representing those centres, which are most vitally interested, whereas a year ago the members representing those constituencies were Liberals. In the third place there is a certain section of this House, I believe—and I am saying that in no invidious sense—which is willing to support anything which will punish Ontario. They do not expect to carry Ontario at the coming election and they are prepared to let that province go to the wall so long as it does not hurt their own interests.

The other night an hon. member read at great length a speech delivered by Henry Ford. I do not know that that has anything to do with the matter. If I were in Henry Ford's place I would do exactly what he is trying to do. I would advocate the same doctrines he is advocating to-day, the same doctrines Mr. Carnegie advocated after he had got the United States Steel Trust in the position in which he placed it. He was quite willing then to be a free trader, and so is Henry Ford when he has practically a monopoly of the market in automobiles. We are not asking the support of men of that kind. We as a party are asking that we should have a tariff that will build up our trade, or that will do the very things in a greater or less degree along the lines which have made Mr. Ford and others a success. We want to build up our own factories and keep our own people here, not drive them away. The Minister of Public Works said something about the exodus from Canada—it is just matters like this which are driving our young men to the United States. I gave the figures last year with reference to the emigration of native born Canadians to the United States, showing that in the preceding three years 540,000 young people had left this country for the other side. I think the hon. member for Huron at that time showed from the same source that in the ten years preceding some 700,000 Canadians had gone to the United States. That may be true, but the period

included years when some Canadians went to the United States for a purpose that did not reflect any credit on themselves. But during the same years mentioned by that gentleman 265,000 men returned to Canada, according to the certificate of the United States government, or an average of 26,500 per annum, whereas during the last five years there have returned an average of less than 2,500 per annum. Our Canadian officials may of course give figures different from these, but it must be remembered that they take into account men, women and children who are returning to Canada temporarily to spend a month or two in the summer. I know that as a matter of fact for some of my own relations have been so treated in the statistics: they have been entered as returning to Canada although they are permanently resident in the United States. We should take our figures from one authority, and the statistics given in the annual report of the Commissioner General of Immigration of the United States I would commend to the House. Hon. gentlemen can get the book in the library and if they will look up the figures they will find that they are indeed alarming.

Now I come to another branch of the tariff as it affects the farmers of Canada. A large percentage of Canadians who have been looking forward to some relief from the budget have been disappointed. These people do not ask a reduction but, on the contrary, an increase in the tariff in order to protect themselves. Since this government came into power four and a half years ago great changes have taken place in tariff matters throughout the world. Every country of which I have any knowledge has increased its tariff in that time, and this is particularly true of our friends to the south. The one in particular I want to discuss now is the Fordney tariff, in which a very material increase was made in the duties on farm products entering the United States. The United States duty on such products is in some cases many times higher than our own, while others are absolutely prohibitive. I shall not put these figures on Hansard, seeing that they were very ably discussed yesterday by the hon. member for New Westminster (Mr. McQuarrie). Besides, they are familiar to hon. members. Strong representations have been made to the government that the Canadian agriculturist, the mixed farmer at least, should be accorded a fair tariff which will preserve the home market in view of the fact that he is debarred from the United States. Many of our Progressive friends sneer at the idea of a home market; they claim that their product depends entirely upon the foreign market. The prices for the things they produce, whether wheat or anything else, are controlled altogether by conditions abroad, and therefore they see no benefit in the home market. It seems to me that many of the arguments they advance and some of the figures they quote must have been prepared by someone who either had not made a close study of the subject or had had a brainstorm. The member for Maple Creek (Mr. Spence) made certain statements, as will be found at page 2680 of Hansard of April 21, 1926. He said:

> In my own province of Saskatchewan we have, roughly, $500,000,000 coming in from our wheat crop alone, and about three-quarters of a billion, in round figures, for all field crops. We have one billion and a half dollars coming into Canada as a whole from all agricultural products.

Then to show his appreciation of the industrial element of Canada he says:

> We have three million people engaged in agriculture. I am sometimes inclined to smile a little when I hear my hon. friends talking about industry and its importance. They speak of some shoe factory employing a few hundred men, or some automobile manufacturer employing a few thousand men, and turning out a few hundred thousand dollars' worth of automobiles.

This shows how carefully some gentlemen consider the conditions in Canada. Speaking from his own point of view the hon. gentleman declared that our dairy industry alone was worth more than the products of all the mines and all the oil and gas wells in Canada. Had he taken the trouble to look up the statistics he would have discovered how wide of the mark he was in many respects. The statement that we receive in Canada one and a half billions from agricultural products strikes me as absurd on the face of it, and I do not believe anyone who has looked into the matter believes that. I have here a return giving, article by article, the exports from Canada of agricultural products during the past calendar year, and showing where they went, whether to Great Britain, to the United States or elsewhere. A few of these things give evidence of the adverse effect of the Fordney tariff on the farmer of Canada. We exported last year $5,990,000 worth of apples, of which only $150,000 worth went to the United States. Of barley we exported $24,000,000 worth, the United States taking only $10,000. Our exports of oats amounted to $23,000,000 and of this sum the United States took only one-quarter of one million dollars worth. One of the few exceptions to this long list of adverse trade relations with the United States in these commodities is wheat, of which the United States took from

us $12,219,000 worth. This commodity did not pay the forty-two cents American duty, and that is why it went into the United States. They imported this wheat to raise the grade of their own flour so that it might successfully compete against the Canadian miller in Canada. In other words, they imported this wheat entirely in the interests of the American manufacturer.

Mr. HOWDEN: The hon. member might give the entire wheat exports of Canada.

Mr. ARTHURS: I shall in due course. Of wheat flour we exported $74,000,000 worth, sending only $67,000 worth to the United States—not one dollar in one hundred thousand. The same thing is seen in cereals. The total exports of farm products from Canada during the last calendar year amounted to $667,185,568, of which $402,442,681 worth were to the United Kingdom, $102,367,815 to the United States, and $167,375,072 to other countries. This total includes products of the farm under three headings: first, field crops, raw materials; second, field crops, partly manufactured; third, field crops, chiefly or fully manufactured. The second table relates to animal husbandry, and the figures are under the same headings—raw, partly manufactured and fully manufactured. I pointed out that the hon. member for Maple Creek was a long way wrong when he said we received a billion and a half dollars for the products of the farm. These figures, as I said before, show that we received less than $700,000,000. Let me point out to the House some of the items composing the total. For instance, among "farm products" we find the following exported to the United States: ale, $5,042,806; gin, $56,361; whiskey, $10,772,988; other potable spirits, $107,382; wines, $77,262; or in all, agricultural products, partly manufactured, $16,056,797—every dollar of which went to the United States according to these statistics.

Mr. McMILLAN: May I correct the hon. gentleman? The hon. member for Maple Creek did not say that the farmers of Canada received $1,500,000,000; he said that the value of the agricultural products of Canada was $1,500,000,000.

Mr. ARTHURS: Mr. Speaker, I think I can understand the English language just as well as the hon. member for South Huron. I will read again what the hon. member for Maple Creek said:

> We have a billion and a half dollars coming into Canada as a whole from all agricultural products.

No words can be more distinct, and those are the words I repeated. It is no use for my hon. friend from South Huron to try to lead me to think I made a mistake. I am pointing out that to-day even those agricultural products which were exported were composed of goods, especially those going to the United States, which, to say the least, were very doubtful farm products. The figures I gave regarding the export of ales, spirits, and similar commodities were exclusively for the United States. The total figures of such farm product exports were very much higher; for instance, the total for whiskey alone is $13,334,092.

Mr. YOUNG (Weyburn): Does that include smuggled whiskey?

Mr. ARTHURS: I have nothing to do with smuggling; the hon. gentleman may know. I would also point out other items which are peculiar so far as farm products are concerned. For instance, linen and jute manufactures, $41,152; oil cloths, $69,787; wool carpets, $11,799; wool fabrics, $23,578; wool underwear—they make use of Australian wool at that—$74,876; wool clothing, $309,982; other woollens, $185,618. I am using these figures principally to show that some of the statements made by our friends to the left are, to say the least, wide of the mark.

The assertion was made the other night—I think by the hon. member for Qu'Appelle (Mr. Millar)—that our exports to Australia last year were $105,000,000. Although that figure was repeated twice by the hon. gentleman, I felt satisfied there must be something wrong. On looking up the exports to Australia I find that in 1924 we sent to that country goods to the value of $19,000,000—not $105,000,000. In 1925 that value dropped to $12,000,000—under the Australian treaty. So the hon. gentleman was overstating the exact amount by almost ten times!

I have already remarked, Mr. Speaker, that sometimes the arguments advanced by our friends to the left are not exactly fair to those of us in this part of the House, nor are they exactly fair to the eastern provinces. We find the impression is sought to be conveyed by certain hon. gentlemen that the eastern provinces, especially Ontario and Quebec, are endeavouring for their own profit to take everything they possibly can out of the western provinces. This has been the stock argument of our Liberal friends in the western provinces for some time. I do not think it would do any harm to point out that this is not always the case. I have before me the official figures for last year and the year before of the various federal duties and taxes collected, and I am quite within the mark when I say that the provinces of

Ontario and Quebec together have for years paid over eighty per cent of our total federal taxation; that next comes British Columbia; and that during the last two years at least there has been collected from the three prairie provinces only eight per cent of the total Dominion taxation.

Mr. McKENZIE: How does the hon member arrive at the amounts received from Alberta and so on?

Mr. ARTHURS: I am using the government's own figures, as brought down last year in answer to a question by Mr. McCrea.

Mr. McKENZIE: The taxes are collected at the ports in British Columbia and so on, but there is no such thing in Saskatchewan and Alberta.

Mr. ARTHURS: I think the hon. gentleman is mistaken. I am willing to admit that so far as customs duties are concerned there is a considerable amount of goods taken out in bond in cities like Toronto and Montreal and then reshipped, but that is not invariably the case. The importer in Winnipeg takes his goods out of bond in Winnipeg, and it is only in the case of small dealers that the goods are reshipped from larger points. But that has nothing to do with the figures I gave. They are not only for the customs duties but also cover the excise tax, sundry collections, income tax and business profits tax. These are all included in the items I gave, which are substantially correct.

Mr. HOWDEN: Does not the hon. member think a great deal of the taxes paid by Ontario manufacturers is eventually refunded to them by the consumers in the west?

Mr. ARTHURS: The great bulk of it is paid by the manufacturing concerns of the east. If my hon. friend thinks the western consumers pay too much, the remedy I would suggest is to get the manufacturers in the west. If you put the proper party in power and send us over to the other side of the House we will soon have a policy which will enable you to have manufacturers in the west.

Mr. DONNELLY: Would the hon. gentleman tell us what manufacturers he thinks could start in the west?

Mr. ARTHURS: There are plenty who could start in the west, as they have started in the western part of the United States. They could get along very well if they had the capital and the necessary protection.

Mr. HOWDEN: I would like to ask the hon. gentleman why he did not start any manufacturing concerns there when he was in power.

Mr. ARTHURS: I did not have enough money and I do not belong to that part of the country. When this party was in power there were more important matters to be settled than the starting of manufacturing in any part of Canada.

I do not know that it is necessary to place it on Hansard, but I have in my hand a return of the Canadian National Railways showing the amounts received in various sections of the country, which goes to prove that the great central portion of Canada from Montreal to Port Arthur has shown a decided profit for the railway, whereas the central western portion of the road and the extreme eastern portion have shown deficits.

Mr. YOUNG (Weyburn): Let us have the figures.

Mr. ARTHURS: Very well. These figures are for 1924: Revenues over Atlantic division, $7,721,399.54. I am not going to give the operating figures, but the net deficit was $3,545,005.24. Central region: receipts, $117,160,048.47, profit, $15,950,871.91. Does the hon. gentleman want the figures for the west?

Mr. YOUNG (Weyburn): Yes.

Mr. ARTHURS: Western division: receipts, $68,114,750, deficit, $872,283.96.

Mr. YOUNG (Weyburn): Does that western division include the section through the mountains?

Mr. ARTHURS: I presume it does, because I do not see any other division indicated. I would also point out to our western friends that among the privileges they enjoy are extremely favourable freight rates upon commodities which they ship in that part of the country. I do not think it will be disputed by any western man that there is a difference of from 7 cents to 9 cents a bushel between the price charged the American farmer and the price charged the Canadian farmer for shipment over an equal distance west of the Great Lakes, under the Crowsnest pass agreement.

Mr. HOWDEN: Would the hon. gentleman explain why, in the four fall months during which wheat is being shipped, the National railway shows a surplus?

Mr. McGIBBON: That is the time they lose money.

Mr. ARTHURS: The hon. gentleman is confusing two things, I think. Certain figures

were given the House the other day concerning the Canadian Pacific Railway, and I think he has those in mind. I would also point out that during the months previous to the movement of grain the railway companies are under great expense in providing the necessary rolling stock, which is naturally charged up to those months, thus reducing the profit. We all know that thousands of cars must be moved west in order that they may be available during the rush season. I quite see, as a practical man, that that is an additional reason for expense, and no receipts would be shown in those months, to balance the extra expense.

Mr. DONNELLY: Would the hon. gentleman explain how it is that the railways, where there is a meeting point, compete for the grain which is to be moved? If there is no profit, why should there be competition?

Mr. ARTHURS: Each company wants to have that money passing through its hands; each company is anxious to get the business. I may say frankly that if the railways can do enough business they can afford to reduce rates. There is a certain amount chargeable for overhead; a certain amount chargeable for keeping up tracks; interest must be met, and certainly if they get more business they can do it at a lower rate and make a profit.

An hon. MEMBER: Then they are anxious to do more business in order to lose more money?

Mr. ARTHURS: The hon. gentleman is wide of the mark. In order to show the benefit the farmer has received I will quote an eminent authority. If the hon. member thinks the farmers are receiving no benefit from the Crowsnest pass agreement, I would refer him to the hon. member for Brandon (Mr. Forke) for information. I have in my hand a Canadian Press despatch of a speech made by the hon. member for Brandon at Elkhorn just previous to the last election, in which he is reported to have said that had there been no Progressives at Ottawa there would have been no Crowsnest pass rates. He is also reported to have said that these rates were worth $20,000,000 a year to the central western provinces. There can be no doubt of that authority.

I do not think, Mr. Speaker, that I will detain the House longer. Most of these subjects will come up at another time and I shall be pleased to discuss them when they are again before the House. In closing I might point out that there is nothing in this budget which will help the people of Canada. There is no relief for the farmers, who are suffering by reason of an adverse tariff; there is nothing giving an extra day's work to our factories; there is nothing to induce new factories to come to Canada and nothing to induce the re-opening of those factories which are idle; there is nothing to indicate a policy designed to have our raw materials further manufactured in Canada for the benefit of Canadians—simply the same old course as that pursued by this government during the past four years. The idea of this government is to hang on to power, and to drift. It may be easier than pulling against the stream, but I want to point out to hon. gentlemen opposite that you will never get any higher if you are content to drift down with the current.

[Mr. Arthurs.]

Mr. S. G. TOBIN (Wetaskiwin): Mr. Speaker, I enjoyed the address to which we have just listened from the hon. member for Parry Sound (Mr. Arthurs): It was a moderate speech, and although I do not agree with his deductions, I believe he was entirely sincere, as indeed I believe all hon. members are in the speeches they make in this House. I shall not enter into any of his arguments at the present time, but shall touch on certain points as I go along.

I want to join, first of all, in the chorus of congratulations to the Minister of Finance (Mr. Robb) and the government on the budget brought down. The many tributes that have been paid to the government from different quarters of the House and by all sections of the country are, I believe, well justified. The budget itself is in plain phraseology. Everything is shown in clear detail. There is no camouflage; there are no hidden mysteries. It lays bare the facts in a way that all may read and understand. The plain facts are good enough; they do not need to be coloured or concealed. The Finance minister's presentation was couched in good, clear Anglo-Saxon, from a people's government to the people themselves. In its genuine modesty it reflects its author. I believe the budget will appeal to the people in all walks of life in this country. The Finance minister did not find it necessary to make comparisons between this period and other periods or between this government and previous governments, for as someone has said, it is a budget that speaks for itself.

As I listened to the different speakers, a saying of Lord Macaulay came to my mind. That is the best government, he said, which desires to make the people happy and knows how to make them happy. It was Bright or

Cobden who said that a government whose legislation does not give relief to every humble cottager in the land has not solved the problem of government. These sayings come back to my mind as I read the budget and couple it with the Speech from the Throne; for the two together make up a programme that I believe will bring relief to all the people of this land.

I do not intend to go to any very great length or to any very great depth in dealing with matters to which reference may be made in the debate on the budget. I think of the first speech Mrs. Nellie McClung, delivered in the Alberta legislature, of which she is still a member. She tried to show her position as a new member and to state her idea of how she should speak as such. She compared her position with that of a curler. When the curlers go on the ice, she said, they slide down a number of rocks to get the run of the ice, and I am going to get the run of the ice, she said, before I venture very far afield. I have made up my mind, Mr. Speaker, that I do not want to venture too far in this House before I get the run of the ice, and I would like to suggest in the most friendly way to some of the new members opposite that if they would first get the run of the ice they would probably do better in the long run, and there would not be so many speeches made that the authors would afterwards like to have deleted from the records.

Coming to the budget itself, I find that the expenditures for the year have been kept below the estimated figures and that the estimated revenues have been exceeded. The national debt has been reduced, and the National railway has progressed beyond our fondest hopes. It is to-day reaching to the goal where it will require no more funds from the national treasury. That is made plain in the budget, and the showing of the railway alone would be a credit to and an achievement for any government in this Dominion.

The people are going to be asked to dip into their pockets for $25,000,000 less of taxation this year than last. Now that may seem a small amount to some people, but I think it shows the trend of affairs when taxation is being reduced to the extent of $25,000,000.

The return to penny postage will simplify things very much. Three will not divide exactly into five, ten, twenty-five, fifty or a hundred, and when I go to the post office to buy stamps I always have to figure how many stamps I should get for a certain sum and how much change I ought to have. But that difficulty is now solved.

Mr. EDWARDS (Frontenac): How do you manage when you buy two-cent stamps with a quarter?

Mr. TOBIN (Wetaskiwin): You can figure that more easily. I am glad to see that the receipt tax has been done away with. I have received a great many letters from my constituency expressing the hope that this tax would be abolished. You can put your stamp on a cheque, and if you have not the necessary stamp you can make the cheque out for two cents extra. But in the case of the receipt stamp, somebody may want to pay you money he owes when you are on the train or out in the woods, where no stamp is available. You naturally want to get the money, and I am glad that the government has seen fit to remove this tax.

I am sure that the reduction in the duty on automobiles meets with the approval of all the western provinces, and I think of the eastern provinces as well. I have read the newspapers on both sides of politics, including the Edmonton Journal, the Calgary Herald and the Vancouver Province, and all seem to agree that the right thing has been done. The people want automobiles, and want to get them as cheaply as they can. There is one phase of this question that I should like to put before the House. I think the difference in the price of the same make of automobile here and in the United States has had a bad effect on immigration. People will compare the price of an automobile here with the price of the same car in the United States, and finding a big spread between the two they naturaly conclude that if there is this difference between the price of automobiles in the two countries, the same difference applies in other lines of goods. They cannot make such a comparison in the case of other articles, hats, for instance, or clothing, because they may not be the same kind of article. But the Ford or the Dodge car is the same here as it is in the United States, and people notice the large spread in price between the two countries. That, I think, has done a lot of harm.

The same is true of the income tax. People can figure out exactly what they have to pay in this country and what they would have to pay in the United States. We are still paying a higher income tax than they are across the line, but we are now approaching equality, and I am glad that this is so. The income tax as changed affects particularly the man with a small salary. The man who enjoys a salary of $3,000 used to pay $40 income tax; to-day he pays nothing. A man in receipt of an income of $3,500 formerly paid $60; to-day he pays only $10. The man

with a salary of $4,000 formerly paid $80; to-day his tax amounts to only $20. I think this is a move in the right direction.

Now, the splendid achievements of the past fiscal year and the promising outlook for the coming year are not the results of chance or accident. Shakespeare has said that men are sometimes masters of their fate. He might just as well have said that governments are sometimes the masters of their fate. These achievements have been brought about because the present government when they assumed office in 1921 took hold of the administration of public affairs with the determination, as the ordinary man says, "to make it go." The gratifying improvement that has come about is due to the business ability of the present government and their bullheaded determination to win. When they took office in 1921 they had faith in themselves, in Canada and in the Canadian people. I unhesitatingly affirm that no government that ever assumed office in Canada was faced by such difficulties and handicaps as those which confronted the King government in 1921. The previous administration, if we are to judge by the admissions made by some of its members, had apparently lost hope in themselves and hope in the country. In what other light are we to read the last budget speech of Sir Thomas White in which he expressed himself as follows:

> The world is sadly out of tune. Trust and confidence is sadly lacking. Class interests are advanced with selfish insistence. Unemployment is with us. Faith in our fellow men is weakened. Doubt of the future is voiced, and what is the trouble? The sun still shines, the rivers still sparkle and our lands are as fruitful as ever; our resources just as great.

Having painted the desolate picture that he did, the then Minister of Finance exhorted parliament to remember that the sun was still shining and the fields were still fruitful, and Providence in this case was asked to come to the assistance of a Conservative government. Well, Providence did come to their assistance and relieved them of office and put the present government in power. To-day the opposition say that everything good that has happened in the country is due to a kind Providence. If that be true, when hon. gentlemen opposite had a heavier burden than they could carry it was Providence who relieved them of that burden and placed it on the shoulders of the present government.

I have already said that the present government replaced an administration which seemed to have fallen into a state of despair. The country suffered from an adverse trade balance. During the last two years of the last government the national debt was increased by $174,000,000. It kept piling up at a tremendous rate, and the cost of government kept pace with it. The adverse trade balance was most marked during the years 1911, 1912, and 1913, amounting in the aggregate to $736,000,000, perhaps the greatest adverse trade balance in the history of the country. And in the years which followed, agriculture fell into a deplorable condition, business was depressed, the Canadian dollar fell below par—and the value of the dollar reflects the financial status of a country; upon it outside financiers and other countries base their opinion of the credit and the solvency of a country. Not only was the Canadian dollar at a considerable discount at that time, but Canadian securities and bonds were falling in value, and the people were greatly disheartened and discouraged. The national debt rose to $2,422,000,000.

Mr. EDWARDS (Frontenac): In what year?

Mr. TOBIN (Wetaskiwin): In 1921. My hon. friend seems to dispute that. Well, that is according to my best information. The King government assumed office under all these handicaps: an enormous adverse trade balance, the cost of government increasing, and the national debt mounting at a tremendous rate. When the Liberal party were in power previously the national debt amounted to only $350,000,000, but when they once more assumed the administration of public affairs in 1921 it had advanced to $2,400,000,000, in round figures. Under those conditions it was a herculean proposition for them to attempt to carry on the government of the country. It took men of vision and courage to grapple with the situation. The task could only have been undertaken by men animated by a grim determination to bring back order out of a state almost of chaos.

How was the task accomplished? The new government, as the saying is, put their house in order. First of all they devoted their attention to effecting retrenchment in the governmental expenditure. I believe that in the budget speech of last year it was shown that the cost of government had been reduced by twenty-five per cent. The ratio of governmental expenditure then stood as three to four; that is to say, the new government spent only $3 to every $4 which had been spent by the previous administration. Then a reduction was brought about in the tariff in order to encourage the basic industries. Hon. gentlemen will remember the great reduction which took place in the duty on farm implements in 1924, and the prediction made by the opposition at the time that the

concerns engaged in that industry would go out of business, and that Canada would be ruined. The results have been just the reverse. To-day the Massey-Harris Company, the Cockshutt Company and the different other concerns engaged in that business, are doing well.

The next matter to which the government gave their attention was the expansion of trade by the arrangement of commercial treaties with other countries. A great deal has been done in that direction, and more will be done in the future along the same lines. In future if we go to the West Indies we shall be able to see the product of our flour mills, our smoked hams and bacon, our biscuits, our hay feed and other products, being unloaded at different ports in those islands. When the present government came into power they realized that the home market was not at all sufficient for a great producing country like the Dominion of Canada.

Mr. McGIBBON: May I ask the hon. member a question?

Mr. TOBIN (Wetaskiwin): I knew the hon. gentleman would do so sooner or later. Go ahead.

Mr. McGIBBON: Does the hon. member approve taking the duty off sugar to hurt the Canadian farmer, and putting a duty on bananas to help the niggers from the West Indies?

Mr. TOBIN (Wetaskiwin): I did not catch the question very well. Did the hon. member say taking the duty off sugar?

Mr. McGIBBON: Yes.

Mr. TOBIN (Wetaskiwin): Yes, we want our sugar kept at a reasonable price.

Mr. McGIBBON: Does the hon. member want to hurt the Canadian farmer?

Mr. TOBIN (Wetaskiwin): He is not producing nearly enough sugar to-day. We would have to go with very little sugar to-day if we used only Canadian sugar.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. TOBIN: (Wetaskiwin): When the House rose at six o'clock I was endeavouring to show the conditions that obtained in Canada when the present government took office in 1921. I had referred to the trade of the country, the growing cost of government, the outlook for the agriculturist, the depression in business, the falling value of the Canadian dollar and of Canadian securities and bonds, the distressed condition of the Canadian people, and the immensity of the national debt. I was then going to show what methods the government had taken to restore order and prosperity in Canada, and in this connection I mentioned governmental retrenchment, reductions in tariff duties and the extension of trade by means of commercial treaties. One other subject of vast importance to Canada remains to be dealt with, namely, the problem of transportation.

In reference to automobiles I should like with the permission of the House to put on record in Hansard a statement which, although it has already appeared, is of such moment as to warrant repetition. Henry Ford, as we all know, is one of the best recognized businessmen on the American continent. Not only has he made a colossal success of his business in the United States, but he owns a large proportion of the stock of the Canadian Ford Company. The article in question has a very important bearing on the present situation, and without reading it I will ask to have it published in Hansard. It was an interview by Mr. Ford in which he confirmed a previous interview and added to it. He said:

As a manufacturer of automobiles in Canada he believes the tariff to be a hindrance and stupidity.

Mr. Ford surprised people with something of this opinion in a brief remark after visiting his great Canadian plant on Wednesday. This afternoon he enlarged on the subject, confirmed his statement that free trade would benefit industry, gave his reasons and explained their application to the manufacture of Ford cars in Canada.

From the conversation came voluntary statements of pertinence and encouragement to Canadians, that it is possible to manufacture as cheaply in Canada as in the United States, that Ford cars in Canada have been selling at a higher price than necessary because of the tariff, that the tariff encourages industrial indolence and tends to permit prices based on what the market will pay rather than on proper costs of production, that the Ford Company of Canada, and presumably other Canadian companies will develop greater efficiency and economy of manufacture as a result of the proposed tariff reductions. Would he offer an opinion which might be useful to Canadians who are perplexed?

"You people are just waking up," said Mr. Ford in reply. "You ought to rub the other eye now, too, and clean out the tariff."

"Would it be a good thing for your company in Canada?"

"Certainly."

"The tariff is a hindrance to trade. I would have free trade. I believe in free trade everywhere."

"Do you mean by that that you can manufacture a Ford car as cheaply in Canada as you can here?"

"I can. Give me that plant at Ford City and I'll compete with the plant here at Highland Park any day. Why shouldn't I? Our unit in Canada can buy as cheaply as we can here. We make every part of the car in the Canadian plant and ninety-five per cent,

over eighty-five anyway, of the raw material is supplied right in Canada. We get our steel from Algoma, lumber, everything we need."

"The usual answer," I suggested, "would be that large scale production makes the difference. Many Canadian manufacturers believe that they cannot compete with American manufacturers because the latter have advantages in mass production."

"I don't see that," said Mr. Ford, "What do you mean by mass production? I think we've got large scale production in our Canadian unit. They're turning out six hundred cars a day."

"How many are you making here?"

"Oh, we're doing between seven and eight thousand a day, but I don't think that's any advantage after a certain point."

"Do you mean that large scale production ceases to be an advantage when it grows beyond a certain degree?"

"Yes," said Mr. Ford, and explained that costs of manufacturing are almost equally divided between labour and raw materials. In both of these items, he argued, the Ford Company of Canada is as favourably situated as the American plants.

"In fact," he added, "you have a better class of workman in Canada than we have here, more intelligent, more vigorous. I like to look at their faces. They're mostly Anglo-Saxon."

"If it is true then," I said, "that the Ford car can be made as cheaply in Canada as here, why have we had to pay a much higher price for it all this time?"

"The old story," replied Mr. Ford, with a twist of his shoulders, "Because they have been able to get the price, that's all."

"Because the tariff has made the higher price possible?"

"Yes, certainly they've been able to get a higher price in Canada, naturally they've taken it."

"It is quite evident that the consumer will benefit from tariff reduction by lower prices," I said, "but you say that the automobile manufacturer will benefit also. Can you explain in what way?"

"Why, yes," replied Mr. Ford in some surprise, "It's quite simple. Lower prices mean more buyers, more buyers mean more business, more business means growth for the manufacturer. I would cut out the tariff," he repeated, "and have free trade. Free competition brings healthy business. I can tell you that those fellows over in our Canadian unit are going to manufacture more efficiently now. They'll have to it's going to be a better plant over there, better organization. That's another reason why it's a good thing for the manufacturer."

"You believe then," I asked, "that to help the manufacturer one must first help the consumer, and if the consumer benefits the manufacturer is bound to benefit?"

"I don't know any other way," replied Mr. Ford briefly.

"Some people," I explained, "believe in the reverse process. They say that tariff reduction will kill manufacturing in Canada, that there will be unemployment, and no wages, and therefore no money for the consumer to spend, that you must first help the manufacturer in order to help the consumer."

"That's all wrong," said Mr. Ford.

In the matter of transportation the present government, we are all pleased to know, has placed the Canadian National railway system on a strictly business basis. This system was in bad shape in 1921 and the government, having looked the globe over for a man with a sufficient knowledge of the transportation business, at length discovered one—large in avoirdupois, large in business ability, and large in optimism. The result the Canadian people know. To-day the Canadian National railway system is not only one of the best transportation concerns in Canada and in the North American continent, but it has been so equipped and built up as to measure up in efficiency with and offer real competition to the best transportation system in the world, the Canadian Pacific Railway. The efforts of the government in this and other reforms have led to the following conditions: We have a favourable trade balance of over $400,000,000, a balance which is steadily increasing, while business in all commercial and financial circles to-day is recognized as sound. You have only to read the financial newspapers, the reports of banks and insurance companies and of commercial enterprises generally, to confirm this statement. Business in the country is on a sound basis and is increasing. These results have been achieved since the present government came into power. Now we have a balanced and more than balanced budget, accompanied by a reduction in the cost of living as well as in the cost of government. Furthermore, our dollar has its full purchasing power, so that financial institutions in this and other countries look upon the solvency of Canada to-day in a different light as compared with the condition of 1921. Our National railway system is a pronounced success, as I said a moment ago, and our bonds are buoyant, being sought after by all buyers of securities. The present state of affairs shows, therefore, a very marked improvement over the period preceding 1921. In this phenomenal improvement our good friends opposite—and I am sincere when I refer to them in this way—can only see and believe that the hand of Providence has been partial to the Liberal party. If that is so, I would advise the government to continue to work hand in hand with Providence.

The condition of affairs as shown by the budget will stand out in all the greater relief by reason of the fact that so many have been giving us such dismal pictures of the country during a number of years past. We have heard "the whisper of death," and blue ruin has been preached with wearisome persistence. We all remember the election campaign of October last. You will remember the blue ruin stories that were circulated throughout the country. What will the people who heard those stories, and in a measure believed them, think now? Then in the debate on the Address in reply to the Speech from the Throne the House will remember some of the blue ruin speeches with which members

of the opposition favoured us. I hope I will get the ear of the government for the suggestion I am now going to offer them. I think it is the duty of the government to see that every elector be sent a copy of this budget together with some excerpts from the speeches of our hon. friends opposite condemning all things in this country and prophesying national disaster. In my opinion the electorate are entitled to this information so they may contrast the prosperous condition of the Dominion to-day with the gloomy forebodings of our friends opposite during the years they have been in opposition.

Mr. McGIBBON: The people won't forget it.

Mr. TOBIN (Wetaskiwin): No. The Minister of Finance referred to this in his budget speech, which will be found at page 2451 of Hansard. He said:

> I have the greater reason for mentioning this because of my belief that the Canadian people in coping with the era of depression which followed the collapse of the post-war boom, have been unnecessarily hampered by a plague of gloom which shrouded the thoughts and utterances of too many Canadians, and but for which the prosperity of the moment would be even greater than it is to-day my privilege to record.

Now, I was in opposition for a long time in the Alberta legislature, and I have as much respect for the functions of the opposition as for the government itself under our parliamentary system. I always envy the private member in opposition, for he has liberties there that he cannot expect to have on the government side, and consequently he has better opportunity to develop. In my view every government needs constructive criticism, it is good both for the government itself and for the country at large, and if we would maintain our present parliamentary system the opposition as much as the government must help to maintain the respect of the people for our system of government. But when the people listen to our discussions here or read about them in the newspapers and find the opposition condemning every proposition advanced by the government whether it be good or bad, their respect for our parliamentary system is likely to be weakened. In Alberta we had an opposition party. A member of that party is now in this House, a good friend of mine, and another member was the hon. gentleman now representing West Calgary (Mr. Bennett) who is not in his seat. But that opposition was too strenuous and worked itself out of business. The Conservative party in the Alberta legislature dwindled and dwindled until it became extinct; but I believe that if its members had been fair and had criticized the government fairly, they would have succeeded better. I say this in all kindness and seriousness to my friends opposite and by way of giving them good advice.

Mr. DAVIS: How many Liberals were left in that government of which the hon. member speaks so highly?

Mr. TOBIN (Wetaskiwin): That is not the point. There are a dozen left. But the opposition, had it given the right kind of service, might have been ready to take office at some time.

An hon. MEMBER: How many Conservatives are there?

Mr. TOBIN (Wetaskiwin): There are none. That is the point I am trying to make. If the opposition had adopted a proper attitude towards the party in power there was at least the possibility of their eventually attaining office. As an example of my conception of the functions of an opposition let me cite a trust company. We employ auditors to audit the accounts of such a company, although we do not question the honesty of its management, but we want to be sure of its honesty. Now that is the duty of an opposition, to see that the government is doing the right thing. When the government puts forward policies that are commendable, I think the opposition should help to push them along. That is what the country wants. Let me say to the House that I am giving this as a friendly bit of advice to the new members, of whom I am one myself.

Now, of the speeches I have heard since I entered this House I would make this criticism, and again I am doing so with the best of motives. When a member of the opposition side makes a certain statement, we do not have to refute it, because some member on that side is certain to save us the trouble. For instance one of our friends opposite will tell us that the tariff lowers prices, and another member near him will say that this is not so, that the tariff raises prices. Then again, an hon. member opposite will tell our good Progressive friends that the west does not want immigration, while another member of the opposition will follow this with an absolute contradiction, and state that he cannot understand why the people of the west are so foolish as to invite competition. Only yesterday one of our opposition friends said that the people of the west are of no particular benefit to the country, anyhow, for they are hard up, they are broke; another hon. gentleman from the same side was kind enough to tell them that they are rich and

greedy and want the earth. Then we are advised by our friends opposite that we should adopt a policy of retaliation towards the states in fiscal matters—what they tersely term a "brick for brick" policy of protection; and other members of the opposition offer somewhat different counsel and advise the country to take no heed of what our neighbours do in tariff matters, but to follow an entirely independent line. I recall another instance of these contradictory statements. An hon. member on the other side told the leader of the Progressive party: "You are the one really in control of the government;" but yesterday another follower of the right hon. leader of the opposition told us that the Prime Minister was leading the hon. member for Brandon blindly, and that the latter really had no say in government policy. In short, these contradictions are frequent from our friends opposite and save us a lot of trouble.

The first member to take up the debate on the budget was the hon. member for South Wellington (Mr. Guthrie), and in the course of his speech he stated, in effect, that hundreds of millions of dollars of agricultural products are coming into Canada annually from the United States. I would say to him in reply that trade is barter; we cannot sell unless we buy. In this connection I have carefully prepared an annotated table from figures supplied by the department, covering imports from and exports to the United States for the calendar year 1925 of a few outstanding farm products. The table is as follows:

Imports from and Exports to the United States for the Calendar Year 1925, of a few Outstanding Farm Products

	Exports to United States from Canada	Imports from United States to Canada
Potatoes	$ 2,675,196	$ 568,192
Butter	1,770,930	13,300
Cheese	2,693,705	389,389
Bacon	384,129	179,549
Hay and other fodder	3,314,509	164,303
Live animals	8,253,843	2,063,944
Beef, mutton, pork, poultry (fresh)	3,681,815	1,565,621
Leather	6,195,465	2,356 244
Clover seed	2,989,634	257,450
Wheat	12,675,176	680,125
Flax	13,166,137	None
Bran and mill feed	4,408,993	6,389
	$62,209,532	$8,244,529

The exports of the above commodities were 750 per cent greater than the imports. I would like hon. gentlemen to look at these figures in Hansard to-morrow, if I have not made myself clear. The figures are exact, and draw a wonderful picture. These fourteen commodities comprise nearly half the total trade between the two countries, showing the great importance of these products. I did not pick out these articles for the purpose of showing contrasts, but took the ordinary, every day articles of trade between the two countries. The hon. member said there were hundreds of thousands of dollars in agricultural products imported into Canada from the United States; there are no hundreds of thousands in the whole trade. We only imported from the United States animal and agricultural products to the total value of $52,351,672, and we exported to that country a total of $102 367,072.

Now let us take the matter of potatoes. Potatoes come into Canada under a duty of 35 cents per hundred pounds, and the United States duty is 50 cents per hundred pounds. It is argued that we should raise our duty to equal that of the United States. Will we take a chance on losing a trade amounting to nearly $3,000,000 for the sake of $500,000? Let us take butter; the United States duty is twelve cents per pound, as against the Canadian duty of two cents. Hon. gentlemen argue that we should raise our duty, regardless of which way the trade flows.

Mr. EDWARDS (Frontenac): What is the United States duty?

Mr. TOBIN (Wetaskiwin): It is 12 cents now; I am glad my hon. friend reminded me of that fact. The United States duty is 12 cents and the Canadian duty only 4 cents, but we export nearly $2,000,000 worth of butter to the United States, as against our imports which amount to about $13,000. Will we run the risk of losing all our trade by tampering with that duty? We might raise the duty until there would be no trade at all; would that be good business?

I might go on, but it is not necessary to labour this question. The same applies to wheat and to fresh meats. I now want to examine further in a concise form where agriculture stands, and I have the figures arranged in the way I would like them to appear in Hansard. They are as follows:

Imported into Canada for Twelve Months ending December, 1925, from all Countries

Agriculture and vegetable products	$196,041,785	
Animal and animal products	45,703,203	$241,744,988

Exported from Canada for Twelve Months ending December, 1925, to all Countries

Agriculture and vegetable products..	$562,449,287	
Animal and animal products.	194,022,331	$756,471,618
Excess of exports over imports.		515,726,630
Total exports of all commodities to all countries.. .. .	$1,270,986,854	
Farm products..	756,471,618	
All other exports..	$ 514,515,236	

I would like to examine that for a moment, in order that the House may understand clearly that this country exports $515,726,630 worth of agricultural and animal products more than it imports. If we did nothing else in Canada but carry on agriculture we would have a favourable trade balance of over $515,000,000.

Let us go further. The total exports of all commodities to all countries from Canada in 1925 amounted to $1,270,986,854. Of this total farm products, as stated above, amounted to $756,471,618, leaving a balance of $514,515,-236. That is to say, the agricultural and animal products exported from Canada annually amount to $241,856,372 more than all the other commodities exported by this country. That would take in all the products of our forests, our fisheries and mines, and all the products of our great factories from the east to the west. We exported $241,000,000 more of agricultural and animal products than of all these other products combined. It is a picture that almost astounded me when I looked at it.

I should like to show the trend of our imports and exports by giving the figures for three years:

Year	Exports	Imports
1923..	$1,014,944,274	$903,030,515
1924..	1,058,057,898	$808,144,573
1925..	1,270,986,851	890,267,348

You will observe that there has been an increase in our exports each year, and that there has been a decrease each year in our imports, or the latter have been practically standing still. These, I think, are convincing figures that our trade is sound and increasing in the right direction. Then, if you look at our exports to the United States and our imports from that country, you will see that in that case also the spread is increasing in the right direction. These figures surely show that agriculture holds the premier position and is the dominating factor in our national progress.

One hon. gentleman opposite states that wheat has practically reached its limit, that wheat prices will not stand any greater production. All I can say is that prices may come down, and the farmers must face that situation. All they can do is to do what they are trying to do to-day. They must have greater efficiency in transportation, diversification and new varieties in their production, better methods, and lower rates of interest. We in the farming community in the west understand that we must compete with the world; there is no protection from that. When the farmer raises his bushel of wheat, he knows he must compete with the world at large; there is no give or take. He cannot carry on as the business man does. The business man can simply add any extra expense to the price of his product. Any extra tax or duty he can put under the head of overhead and pass it on to the consumer, but the farmer cannot do that; he must raise his wheat and then take chances with the world. So you can understand why the farmers are in favour of more efficient transportation and lower money rates to help them in their competition with the world. I am not posing as a farmer, but I have lived amongst farmers all my life and know their ways; and their difficulties. I know how they look at their position. The farmer cannot pass his expenses on to the consumer. If you go to Alberta you will see the great golden fields of grain, but if you go to the farmer's house you will find that he is not living very well at the present time, and when you ask him why he has not made any better progress, he will tell you it is because the profits are small. He cannot hire labour as other lines of business can do, and add the cost to the price of his product. That is good business, but the farmer cannot do it. He can only hire labour in the rush season, for he is competing against the world and his product cannot stand the pressure. It does not seem right that the business should not be of sufficient productiveness as to enable those engaged in it to hire the labour they require, but it is only the advanced farmers, or those who have large capital to start with, who can hire all the labour they require.

I wish to quote another peculiar passage in Hansard, and I do it again merely to show things as I see them. The hon. member for North Oxford (Mr. Sutherland), speaking in this debate on April 20, said—Hansard page 2642:

> My views on immigration may differ from those held by many others. I believe in our present situation in Canada the cities should be built up ahead of the rural districts and our endeavours should be directed towards that end, because we would thus give more employment and a bigger market to the people in the rural districts. I realize that it would be folly to bring people to the cities unless we had work for them to do. The main problem therefore, is to

provide work in our cities, to bring the people in and to build up our urban population; that is what Canada needs far more than an increase in the number of farmers to settle on our land when our farmers now, according to some of them, are having hard work to make a living. The idea of bringing in more farmers is being advocated more by the farmers in this House than by others, and it is the only instance within my knowledge of an industry, which is complaining of hard times, urging and welcoming more competition for itself. That does not seem to me to be logical. In my opinion the cities should be built up first.

Mr. SMOKE: The hon. gentleman is reading from the report of a speech made in this House this year. Is that in order, Mr. Speaker?

Mr. TOBIN (Wetaskiwin): I am quoting from a speech made in the present debate; it is all right. To continue the quotation:

Another reason for my contention is this, that from year to year there is very little difference in the quantity of food products that are used throughout at least that part of the world that we have to do with. There is very little increase in population and, therefore, very little need for our farmers to produce more stuff.

The situation in the cities is very different. More kinds of manufactures are coming to the fore every minute and there has been a tremendous development even in the last thirty years. The whole automobile industry, the phonograph industry, the radio industry and many other new kinds of manufactures are employing much more labour and that will be the case from now on. We shall therefore have more room for employment for the people in the cities as long as we have a proper fiscal policy that will provide work for them there.

I will not comment on this argument to any great extent, but here is a novel line of reasoning. We are going to turn the urban centres into places for the manufacture of phonographs and radios, and the farming interests can go by the board. It was so stated by the hon. gentleman. Let us build the cities first, he says, and the farmers will come. Very well, but who is going to give them protection when he starts his city? There will be no one here to do that. Hon. gentlemen opposite had better consider this peculiar reasoning for themselves and see how much it is worth.

To me the present misunderstanding between the east and the west is a most unfortunate thing. I do not believe this has been brought about by politics; it is a real misunderstanding. You hear people say that the west is selfish. I wish hon. gentlemen would go out and visit the west; they will then wonder why it has not made greater progress. Less than four years ago—and I am not now talking politics, although hon. gentlemen opposite may think I am—there was no traffic moved from Alberta to the Pacific coast, and none of our grain was shipped there. An elevator was built there in 1914, but it stood idle.

Now, if hon. gentlemen will look at the map they will observe that Alberta is 750 miles from the Pacific ocean. They will find that the Canadian National railway pass through the mountains is one of the finest in the world and the transportation system one of the best. Vancouver has a harbour that is unexcelled, and right there is the Pacific ocean ready to carry our products to the world's markets. The Panama canal was completed many years ago, and it provides cheap transportation by water. The effect of that is seen to be striking when I mention that lumber from the Pacific by this route can be brought into the Ottawa district in successful competition with local lumber. Would you not wonder therefore why it was that with a good harbour on the Pacific coast, open all the year round, and connected by water with the world's markets, wheat raised in Alberta was shipped two-thirds of the way across the continent to the ports of the Atlantic? Does that not seem strange? To what was this condition due? To the fact that freight rates to and from the Pacific coast were so high that commodities raised on the prairies could not and did not flow that way. But in 1922 there was a cut of twenty per cent in the freight rates from the prairies, and a movement of traffic started westward. In 1923 there was another cut, and even greater quantities moved to the Pacific. This year I am glad to say there has been a further equalization of rates, and this year we are shipping about forty-five million bushels to the Pacific coast. We do not expect to ship all our wheat to the Pacific coast. We are not selfish; we should like the equalization of rates to apply to the east as well as to the west. We should like the people of the Maritime provinces to get proper rates on the Transcontinental from the Great Lakes to Atlantic ports. We will work for that just as heartily and just as enthusiastically as we are doing in the case of the equalization of rates to the Pacific coast.

I have pictured these conditions in order to show what we in the west have had to contend with. A man who raises a bushel of wheat in Alberta is sixteen cents worse off than the man who raises a bushel of wheat in Ontario, because the former has to pay sixteen cents a bushel to move that wheat to the east this far. The rate for the carriage of a bushel of oats is twelve cents a bushel, and there is very little profit in it because the price the grower receives for that bushel is so low. That will enable you to understand why there is such a demand in the west for the construction of the Hudson Bay railway in order to provide a cheaper

outlet for at least a portion of the products of the west. In this way that outlet will be in the interests of the whole of Canada, and not merely for the advantage of the western provinces alone. It will be greatly to the benefit of the entire Dominion to have the west developed as it should be developed.

Some hon. member said this afternoon that we in the west were gainers in the matter of freight rates because we were enjoying lower rates. May I say that at the present time we are only trying to get an equalization of the rates on grain? The freight rates on other commodities are a great deal higher for us. If you ship by express from Vernon, British Columbia, to Alberta, a distance of 350 miles, it will cost just about one hundred per cent more than the express rate for a similar distance in the east, say from Grimsby to Montreal. If you ship sugar from Vancouver to Winnipeg, a distance of 1,400 miles and more, the cost will be $1.60 per hundred pounds. But the shipment of the same product from Halifax to the prairies, an even greater distance, will cost only $1.14. We are not dwelling unduly on these smaller commodities just now; we are merely trying to show the conditions as they exist. May I say in closing this part of my subject that I believe there is a great future for our Pacific ocean ports?

I want to read—if I am not tiring anybody and I presume I am not; I seem to be getting very good attention at the present moment—

Mr. SPENCE (Parkdale): I would not stop if I were you.

Mr. TOBIN (Wetaskiwin): Thank you. I want to read the opinion of a well-known Canadian journalist on the prospects of the Pacific trade. Mr. John Nelson, speaking in Toronto on November 12 last, said:

> "Treat the Pacific as our forefathers treated the Atlantic. Be Drakes and Frobishers, explorers undismayed by foreign lands and foreign tongues, so you will create a new Elizabethan age and grow rich with the art and culture no less than the economic wealth of Cathay."
>
> This was the advice which John Nelson, well-known Canadian journalist, left with the members of the Empire Club when he addressed them at luncheon to-day on the problems of the Pacific as they affect Canada. The address was based on observations he had made this summer in Honolulu at a conference of the Institute of Pacific Relations, a gathering of 120 delegates representing nine countries.
>
> Canada's orientation in foreign affairs should be "occidentation," said Mr. Nelson. The Occident was calling to Canadian statesmen as well as to Canadian merchants, and the future of the country was on the Pacific even more than on the Atlantic.
>
> "Premier Mackenzie King," said Mr. Nelson, "has declared that our prosperity is bound up with our export trade. Where will we find greater opportunities for new markets than in Japan and China."
>
> He was impressed by Canadian ignorance of the Pacific which equalled the whole land area of the Globe. Canadians knew the Mediterranean. It was the cradle of their culture. They knew the Atlantic, it had been the main highway of their commerce, but they were still unaware of the importance of the Pacific. Even the United States was unaware of it until the Spanish war, the acquisition of Pacific territory and the foresight of Roosevelt, had drawn attention to the fact that Asia meant more than Europe to the future of this continent.

I read Mr. Nelson's opinion merely to show you what great possibilities there are for Canada in connection with trade over the Pacific. This year Canada exported 14,000,000 bushels of wheat to the Orient. Two years ago there was no export to that part of the world, and the western provinces were in a bad position with regard to the shipment of wheat. We found that other countries had to ship only a distance of 400 or 500 miles to the seaboard, but we had to take it across the continent. To-day we find as China and Japan are learning to use wheat the western provinces of this country are going to be in an enviable position—one of the best positions—in regard to the shipment of wheat, because they will be able to ship a large part of it straight across the ocean to the Orient. So that things are changed in western Canada, I hope for the good and welfare of all the Dominion.

The hon. member for Parry Sound (Mr. Arthurs) this afternoon advocated a tariff for the farmers. I hope that the agriculturists of this country will never fall for such a proposition, because it would be the undoing not only of the farmer but of the whole country. The United States might just as well say that it is the greatest free trade country in the world, as the hon. member says it is the greatest high tariff country. You find the coal fields in one part of the United States, the cotton belt in another part, the sugar cane and fruit in another district and the iron in another. The states are almost self-contained; they trade among themselves. We are not so situated. We have no cotton, sugar or oranges. The experiment which they are trying in the United States is proving expensive for the farmers. The farmers may be slow to learn, but they will learn that that policy is against their interests, and I hope the agriculturists of this country will never listen to protectionist arguments. I admit that the right hon. leader of the opposition, by his power of debate and his great ability, may make some inroads among the people with his line of argument; there is no doubt about that. But we must gain our experience from that of the United States, and it is a good thing for this country that their policy is going

to fail before there is a possibility of its being adopted in Canada. That fact will save us if nothing else will.

The prosperity and success of all interests in the east, both commercial and financial, depend first upon the western crop, second upon transportation and markets, and third upon the price paid for the various manufactured goods received in exchange for those products. Those who do not understand the position should come out west and see the needs of that country. The pioneer farmer of the west, will start probably with an axe, —not much more—later on he will have a walking plough, then a riding plough and eventually he may reach the stage of gasoline power. His demands are never complete. If you allow the farmers of the west to become prosperous, I can assure hon. members listening to me to-night that there need be no fear of the rest of the Dominion, because they must trade; they are great buyers. They have put all their profits, up to the present at least, into some other commodity. If the west produces hundreds of millions of dollars' worth of products the people there do not deposit that money in the bank; they spend it and will continue to spend it for many years to come. Upon the prosperity of western Canada, therefore, largely depends the prosperity of all the other parts of Canada.

The enacting of the legislation promised in the Speech from the Throne means encouragement and inspiration to all parts of Canada. Some of this legislation has reached the stage where there can be little doubt that it will be passed by this House, and I desire briefly to refer to it. I mention first the revaluation of soldier settler lands. In the district I represent there are many soldier settlers and they have wanted this legislation for a number of years. Some of them have left the land, but others have carried on manfully and are doing well under the difficulties of their present position. They will not expect every detail to be made right at once; it cannot be done. I think the attitude of the Minister of the Interior (Mr. Stewart), who presented the bill for the soldier settlers, must be looked upon favourably by hon. members of this House in that he tried to make changes suggested by the opposition and showed a desire to make the measure conform with the wishes of all parties, as he himself stated in this House. He wanted to satisfy all the people in the country by this soldier settler bill. I cannot see that the bill has been improved very much by the changes, but the minister has shown the right disposition. I am glad that there is to be a revaluation of the soldier settler land. I was pleased that during the debate no one took any position adverse to the measure; nobody said to the opposition, "This is all your doing, the trouble was caused by you." I am sure the soldier settlers will be glad to see this bill become law.

The old age pension bill is the highest type of legislation and will be welcomed by all fairminded people. It is our moral duty to see that it becomes law.

Then we have the amendment to the Penitentiaries Act, under which all inmates of penitentiaries are to be allowed to do useful work, apart of the proceeds of that work, I understand, to go to the dependents of the inmate, if he has any; otherwise to be kept in trust for himself. This move by the government is a wise one. When inmates of a penitentiary are permitted to do useful work which agrees with them mentally, work that they know something about, they will not have time to reflect on their misdoings; they will not feel that the world is trying to take vengeance on them, and in many cases they will become reformed. There is some good in all people, and this reform will mean much. It is humanitarian and it is right. I am glad that this matter has been brought before the House, and the hon. member (Miss Macphail) deserves to be congratulated on her move in this direction.

I wish to make a few brief references to my own province and to conditions prevailing there. I suppose I need not tell the House that at the present time there is an oil boom in Alberta. While we do not want unreasonable booms, I believe there are good prospects of finding petroleum in that province in large paying quantities, and I suggest to the government that they should take a part in helping to bring about a realization of our hopes in this respect. Every year large tolls are paid by Alberta to the Dominion in permit fees. In order to give you an idea of the amount of those fees I will place them on record: The total fees for the last current year were $454,911. In April last it was $2,944; in May $6,000 odd; in June $1,000. and for March this year the figure stood at $64,000.

9 p.m.

I would suggest to the government that they do one of two things: either give bonuses for the production of oil, say for one or more producing wells in the north of the province and one or more in the south, or themselves drill wells in these sections. There is always a suspicion, when strangers drill for oil, that the intention is not to market the product

immediately but to hold it for speculative purposes. In my opinion the government could stimulate oil production in Alberta and it would mean a good deal to the Dominion at large. We firmly believe that there is oil in the province and I hope that the minister will act on the suggestion I have made.

As regards the cattle situation in Alberta, there is some complaint on the ground of duplication of fees. The cattle market is not very attractive to-day, as the prices are low and the farmer has altogether too many tolls to pay to get any profit out of the business. In the first place he must of course meet transportation charges, and besides this he has to pay feed and auction bills. He complains that at the first town into which he takes his cattle he must pay a veterinary surgeon to examine the stock, and if he ships them through to Winnipeg they must be examined a second time at Calgary or Edmonton. Very frequently there is only one veterinary to be found especially in a small town, a good deal of trouble being entailed hunting him up. Then there is the condemnation insurance, as I believe it is termed. When the farmer sells his cattle at the stockyard he pays fifty cents per $100 by way of insurance, the argument being that though the animals may be in good condition at the time of sale they may afterwards be found to be diseased. I do not see why the farmer should be expected to comply with a condition of this kind which does not obtain in any other business. When you buy an article from a merchant he does not give you a fee by way of guarantee that you will find nothing wrong with your purchase when you have taken it home. In my opinion this condemnation insurance should be abandoned. The people do not know whether the government is running the thing or whether the stockyards are in control of it. I understand that the entire fee is used for administrative purposes, but this notwithstanding, I contend that it should not be charged at all. It may be said, I know, that if the fee were not paid the farmer would possibly receive a lower price for his cattle, but I do not think that this contention is sound. At all events it is an unwarrantable impost.

I come now to a subject which is of considerable importance to the province of Alberta, namely, fox farming. In Alberta the people are finding it necessary to engage in other things besides the growing of wheat. They are going in for gardening and they have made a success of the raising of bush fruits. It has been demonstrated at the experimental stations in the province that such things as currants, gooseberries and raspberries may be grown in Alberta just as well as anywhere else. The people are learning too, to beautify their homes horticulturally and in many other ways. In the raising of foxes they have an industry that holds out considerable promise for the future, but there is one anomaly to which I would call the attention of the government. When the fox farmers of Alberta want an inspector to examine their foundation stock they are obliged in most cases to send to Prince Edward Island, which is a considerable distance away. That is one of their chief complaints. It may be of interest to the House to know how many inspectors there are in the fox industry throughout the Dominion. The inspectors, who I may observe in passing are obliged to put in a week's special training in Ottawa, are allocated to the provinces respectively as follows: British Columbia one, Saskatchewan one, Manitoba, one, Ontario, four; Quebec, one; New Brunswick, four; Nova Scotia, one; and Prince Edward Island, thirteen. It will be observed that Alberta has not even one. This may seem a trivial matter, but when it is remembered that an inspector has to come, as is usually the case, all the way from Prince Edward Island to examine foxes in Alberta it will be seen that an injustice is done that province. Last year about 1,310 foxes were examined in the province. The fox ranchers are therefore anxious to have inspectors located right on the ground. I may mention that the fox that brought the most money in Canada in any year was one that had been raised in Alberta. The value of foxes raised in the province last year for breeding purposes and pelts amounted to something like $6,000,000. The bulk of the product went to the United States, although a good deal of it is shipped to Europe. I understand that the fox industry yields the largest revenue of any in Prince Edward Island.

Another matter of importance I want to refer to before concluding. We have in the province of Alberta some beautiful lakes, many of them being attractive resorts with hundreds of cottages all around. I might mention Gull lake for instance. I think the Dominion government might very well supply suitable fish for propagation in these lakes, so as to produce fish, as well as provide good sport at these points. Pigeon, Conjuring and Gull lakes in my district are particularly interesting and something should certainly be done in this regard to improve them as resorts and to make them attractive to fishermen.

I come now to the question of rural mail delivery, and in this connection I am happy to be able to say that Ontario is not overlooked. Let me give the number of mail routes in each province together with figures showing the cost. In 1924, according to the report issued on January 1, 1925, there were 176 rural mail deliveries in Prince Edward Island at a total cost of $95,172; in Nova Scotia, 165 at a cost of $107,348; in New Brunswick, 279 at a cost of $154,534; in Manitoba, 98 at a cost of $60,122; in Saskatchewan, 80 at a cost of $44,436; in Alberta, 98 at a cost of $53,405; in Ontario, 1,990 at a cost of $1,584,433.

Mr. NEILL. Have you the figures for British Columbia?

Mr. TOBIN (Wetaskiwin): Yes, 67 deliveries at a cost of $53,405. Now, if you want to encourage immigration to the west and retain the people already there, give them some of the things that make rural life worth while. Certainly these rural mail deliveries are essential. In Ontario the towns are close together and there are in addition in many parts, mail carriers. In the west our towns are far apart, and we have not that convenience. Surely there should be a fair ratio between the west and the east in the number of rural mail deliveries. I think we should have rural mail deliveries in Alberta, Saskatchewan and the other provinces on at least an equal basis. There are more rural mail deliveries and at a greater cost in Ontario than in all the other provinces combined. Is that because the parliament buildings are in Ontario? Is that because deputations such as we saw here last week protesting against any reduction in the automobile duties come here during the session? If this is the centre of propaganda such as that, it seems to me that these buildings should be placed out in the prairies where the air is clear.

An hon. MEMBER: Winnipeg.

Mr. TOBIN (Wetaskiwin): Someone suggests Winnipeg. I think somewhere in Alberta would be much better. I say again—and I am looking at the Minister of Public Works, who I think will carry what I am saying to the right place; he generally does—we want more rural mail deliveries in Alberta. I give the House notice that I shall push this matter further at the right time and place.

There is one other thing I wish to call to the attention of the House. I refer to the permit system on grain moving westward. You know, Mr. Speaker, that when we succeeded in getting a large measure of equalization of freight rates the transportation companies put on what they call a "permit" system, under which a farmer could not ship his grain westward unless he had bottoms at the coast to take his grain. Therefore, the grain dealers bought his grain at the Fort William price and naturally where it is to their advantage, they get the lower freight rate and any premium at Vancouver. That has taken place again this year. There was a partial reason for it in that a large amount of our grain was damp. I hope I can get the eye of the hon. member for Vancouver Centre (Mr. Stevens), for I know he will take an interest in this matter and back me up. I want his support.

Mr. STEVENS: I agree entirely with my hon. friend.

Mr. TOBIN (Wetaskiwin): I am glad to hear that, for if I can get the other side to agree with me I am succeeding. A reference to the statistics will show that in the last week of March this year the premium on grain westward was 2-4/5 cents a bushel, and a spread in the freight rates was nearly 3 cents. But some of the grain was damp, the permit system was re-introduced, this held up the movement, and therefore the farmer lost this spread because the grain dealers bought the grain at the Fort William price and naturally when it is to their advantage shipped it westward, thus getting the premium themselves. It is not right. It looks very much to the farmer like a swindle, to use a sinister word. The farmer to-day wants the privilege of taking his grain to the elevator, asking the price at Fort William or Vancouver, and then directing that his grain be sent either east or west according as the trade is in his favour. Why not give him this privilege. If the drying facilities are not sufficient, they should be supplied.

Then again, Sir, a reference to the statistics which I have already quoted will show that the price of screenings this year varied from $9 to $12 a ton at Vancouver, and only from $3 to $5 a ton at Fort William. I wish to call the attention of my hon. friend from Vancouver Centre to this also. That is what the farmer is losing, and somebody is the gainer. I want the eye and ear of the Progressive party with respect to this. A spread of a cent a bushel in price is big, but a spread of two cents or more is tremendous. In addition, the farmer also loses the difference in freight.

Any man representing Alberta should be proud of his province. It is a vast rolling prairie, with forests in certain parts, well

watered with streams and lakes, possessing a rich soil, and shielded and sheltered by the great Rocky mountains. Nature has endowed the province with gas and coal and we do not know what other minerals, and in all we have about the best climate of the whole Dominion.

Mr. NEILL: Question.

Mr. TOBIN (Wetaskiwin): Let me give some further particulars of Alberta. The province has an area of 161,872,000 acres. Of this, 97,123,000 acres represents arable land, and we have under cultivation 29,293,053 acres, leaving unoccupied arable land of an acreage of 67,829,947. In a word, we have the greatest acreage of unoccupied arable land of any province, and we are proud to think that this will some day be brought under cultivation and benefit the whole Dominion. Recently our local paper in Wetaskiwin reprinted an article from the Toronto Globe, entitled, "A Province to be Envied," and I will read it for the benefit of hon. members:

With the transfer from Dominion authority to Alberta of the natural resources of that province, the country will observe with particular interest the progress made in development. Alberta coal has already made a reputation, but probably few people realize that it represents 14 per cent of the estimated coal reserves of the world, 72 per cent of those of the British Empire and that Alberta coal mines represent an investment of more than $50,000,000. Something is known of the existence of petroleum fields, and interest is re-awakened by recent publication of a report made by Dr. Hume of the geological survey. When it is considered that besides the coal deposits, 80,000 square miles of the province have petroleum possibilities, and that, besides, Alberta leads the Dominion in the production of natural gas, it is evident that the wealth of this young province passes far beyond the sphere of agriculture.

Even the most ambitious province should be satisfied with 72,000,000 acres of land capable of agricultural development, an area large enough to contain the population of the British Isles, but with varied and rich natural resources it has within itself the potentialities of a cosmopolitan nation. Behind the prairies, it is estimated, are 60,000 square miles of merchantable timber. For scores of miles along the Athabasca river are bituminous sands suitable for paving the streets of future cities. Extensive shale and clay deposits lie in the southeast. It has building stone, salt and bentonite. Its fisheries are worth hundreds of thousands of dollars per year. And what may be beneath the surface in addition to the known resources may offer almost untold possibilities for development.

An inland empire of such vastness, yet with a population of only 600,000, Alberta is in an enviable position to make its imprint dominant on the future map of Canada.

In conclusion, Sir, I wish to thank you and the House for the courtesy and attention which you have accorded me. I had no intention of occupying the time of the House at any great length, but the subject I have been dealing with must be my excuse.

Hon. J. W. EDWARDS (Frontenac-Addington): Mr. Speaker, the hon. gentleman who has just taken his seat (Mr. Tobin) informed us that the farmers of the west wanted windmills. I can at least appreciate the fact that there was a considerable reduction in the visible supply of those articles in Wetaskiwin when the hon. gentleman came to Ottawa. That, with the addition of the gas which he says exists in that province and which has no doubt permeated his system, will probably account for the length of his remarks and the variety of the subjects which he touched upon. I noted one remark of his in which he credited the government with bulldog determination. The bulldog has never been recognized as an animal remarkable for its intelligence, but it has always been credited with a disposition to hang on; consequently I suppose that is the reason for the reference. The hon. gentleman quoted Cobden as saying that a government fails which does not give relief to the humble. I suppose he had in mind the relief afforded by this government to the thousands of people who have left Canada to find work in the United States.

The hon. gentleman also referred to Mr. Henry Ford, and was evidently quite willing to accept Mr. Ford as an authority on the automobile question. I am not willing to accept Mr. Henry Ford as an authority on anything, even an automobile. The machine which bears his name is said to be an automobile; it is also said to be several other things, the names of which I need not enumerate this evening. So far as Henry Ford and his industry are concerned I might point out that he is in a different position from that of any other manufacturer in the world. He has a largely capitalized industry with a perfected organization; he has mass production, and I daresay he would be quite pleased to have free trade with all the world so far as automobiles are concerned. But Henry Ford is a man who has shown that he recognizes protection. I believe that in September 1915 he bought fifty acres of land in Ontario with the declared intention of building a tractor plant which was to employ 10,000 men. The government saw fit to remove the duty on tractors, with the result that Henry still has the land but the plant has not been erected. Henry Ford would never have established a factory in Canada if it had not been for protection. He thought he would supply the French trade from his factory in England, but France put a heavy duty on automobiles and Henry was obliged to put up a plant in France. He also built a plant in Ireland, I believe, and in several other countries. When Mr. Ford

established his plants in these various countries he thereby gave recognition to the policy of protection.

Mr. Ford is a man who has made a great success of life from the financial standpoint; he is among the wealthiest, if not the wealthiest, man in the world. But he has some peculiar ideas. I believe he launched at one time what was called a peace ship; then he had an idea for a "synthetic cow." Asked what his idea was, he said he was going to do away entirely with the four-legged animal. "Where are you going to get milk?" he was asked, to which he replied, "I am going to manufacture milk chemically to supply the public. There is no further need for cows." Henry's synthetic cow was going to solve the problem. So I say when we speak of Henry Ford and quote him, it is well to remember that we are quoting a man who, while he has made a great success of the particular business which carries his name, is recognized as possessing some very strange peculiarities.

The hon. gentleman made several references to other things. I am not a sufficiently well-trained mental acrobat to follow him in all his various peregrinations and wanderings, and I shall not attempt to do so. He referred to one or two things also mentioned by the Minister of Finance (Mr. Robb) to which I wish to give just a little attention.

The hon. gentleman and the Minister of Finance made reference to the national debt of Canada, and I would also like to say a word or two on that subject. In 1896 the national debt of this country was roughly $258,000,000. In 1911, when the Liberals went out of office, in round figures it amounted to $340,000,000; in other words, they had added $82,000,000 to that debt in fifteen years. Between 1911 and 1914 the debt was reduced by $6,700,000. Then the war came on with its tremendous costs, and by 1921 our debt was in round figures $2,350,000,000. In 1925, according to the statements given by the Finance minister recently, it was $2,417,437,685 and on March 31 of this year amounted to $2,395,000,000. In connection with the national debt I wish to quote a statement made by the hon. member for West York (Sir Henry Drayton), who in 1921 was Finance minister. In presenting his budget that year he said:

"If we deduct the bare cost of the war but charge up pensions, soldiers' civil reestablishment and interest on the war part of our debt, none of which we would have had but for the war, our debt to-day would be $115,000,000 less than in March 1914."

He also made this statement, which was never contradicted, which was accepted as a fact and is a fact: The revenues for the last year, he said, exceed the ordinary expenses of the country, including all pensions and all current war charges, by $69,400,000. I wish to add another statement made by him on that occasion. War obligations have been met, he said, and paid to the extent of $698,809,700. I quote that statement, Mr. Speaker, because I want to apply it to the debt of this country. I want people to understand what that debt means and how much of that debt was due to the war.

During the years 1917 to 1920 inclusive we put through in this House seventeen appropriation bills totalling $1,755,705,235. No amendment was moved to any of those bills, nor was a motion made to strike out one single dollar of those appropriations.

I wish to call attention also to how some of this money was spent. We paid out in soldiers' gratuities, $164,000,000. May I add that that was a matter of expenditure dealt with by the Conservative government, and which was done with and settled and had not to be considered by this government after it took office. We also paid out $102,000,000 for soldiers' civil re-establishment; $90,000,000 for pensions; $80,000,000 for soldier land settlement; $7,000,000 for soldier insurance; $25,000,000 of a housing loan; $10,000,000 for technical education; a special grant to aid agriculture of $10,000,000; another grant for roads of $20,000,000; and our shipbuilding cost us some $30,000,000. The items I have enumerated total $538,000,000, and I want to emphasize this fact, that not one single dollar of that amount was challenged by any member of the House.

I want also to emphasize this fact, that many of the items to which I have referred, and which bore very heavily on the exchequer of the country at that time, the present government has not been required to deal with because they were dealt with and settled before they came into office, so they were relieved of that burden.

I would also like to add that in the last three years of the Conservative regime, in 1919, 1920 and 1921, we collected in total receipts during those years a little over $1,098,000,000. In the next three years, 1922, 1923 and 1924, this government collected $1,191,000,000; that is to say, the present government, or the government in power after 1921, had in the first three years they were in office $100,000,000 more revenue to run the country with than their predecessors had in the last three years they were in power.

Again comparing the last three years of Conservative rule, taking in the year 1921, with the first three years under the King government, the King government collected in special war revenue taxes over $234,500,000 more in the first three years they were in office than the Conservative government collected in the last three years they were in office.

When you take these facts into consideration, one wonders that the Finance minister was not able in presenting his budget to declare a larger surplus than he has declared. I shall not go into the reasons for that; they are many and various. Numerous commissions were appointed at very heavy cost to the country. An elevator was built at Prince Rupert which has never yet been used—built for the purpose of electing a government supporter for that constituency; wharves were built on this river and on that, for a like purpose. The reason why the government was not able to make a better showing in regard to a reduction in the debt was because of extravagance and waste of public moneys.

Another matter which was referred to by the Minister of Finance was the favourable balance of trade. I should like to refer to that for a moment. The hon. Minister of Finance is not in his place at the moment, but I think I am correctly interpreting his language when I say that he spoke of the favourable balance of trade with a good deal of satisfaction. It has been referred to by other speakers on that side of the House also with a good deal of satisfaction. They seemed pleased with the fact that we had a favourable balance of trade. If the Minister of Finance were here, I would put to him this question.

An hon. MEMBER: Here he is.

Mr. EDWARDS (Frontenac): I am very glad he has come in. I was just stating that in presenting his budget the Finance minister has apparently taken a good deal of satisfaction from the fact that we closed last year with a very substantial favourable balance of trade. The question which I was going to ask was this: Does he consider a favourable balance of trade for this country an indication of prosperity?

Mr. ROBB: Mr. Speaker, in 1921 we had an unfavourable balance of trade and no person will say that we had prosperity at that time.

Mr. EDWARDS (Frontenac): The hon. gentleman, of course, has not answered the question. I was a little doubtful when I put it to him whether he would answer it. I will ask him again: Does he think that a favourable balance of trade for this country is an indication of Canada's prosperity? Would he regard an unfavourable balance of trade as an indication that Canada was not prosperous? I can understand, I think, what is passing through his mind. He is a little wary. He is almost Scotch, like my hon. friend from Brandon (Mr. Forke), when it comes to answering questions. This is the point, Mr. Speaker: Where do we get our favourable balance of trade? If the hon. gentleman says that a favourable balance of trade is an indication of our prosperity, then, per contra, he says that an unfavourable balance of trade is just the opposite, but for years we have had an unfavourable balance of trade as between Canada and the United States. The hon. gentleman knows that very well. He also knows the reason why we had that unfavourable balance of trade. It was because of the asinine policy of this government in not properly protecting the industries of this country, thereby enabling the United States to flood this country with their products, to the detriment of our people. That is the point I want him to consider. This matter has been considered by finance ministers before. I can quote the words of an acting finance minister who, in speaking of the unfavourable balance of trade as between Canada and the United States, said that something should be done to rectify that situation, that we should either buy less from the United States or sell more to the United States. I say that that is an unfavourable condition of affairs which exists between Canada and the United States, and has existed for years, and that it is not in the interests of this country, but is in the interests of the United States. One fault I have to find with the government to-day is that their tariff is framed not along sane, reasonable and national lines for the benefit of Canada, but for the benefit of the United States of America. In the last ten years, Mr. Speaker, the United States have sold over two billion dollars' worth more to Canada than Canada has sold to that country. I take the ground that at least a part of that two billion dollars may be regarded as so much of a mortgage on this Dominion.

We have had, Mr. Speaker, some recent additions to the ranks of this remnant of a government. It should have some further additions before it could really be called a government. My hon. friend who has just taken his seat said that the budget was "a message to the people from a people's government."

Some hon. MEMBERS: Hear, hear.

Mr. EDWARDS (Frontenac): Some hon. members opposite say "hear, hear" to that. A message from a people's government! From a government which in the last election polled 40.1 per cent of the popular vote! A people's government! A government which, with the addition of its camouflaged allies over to the left, represents only 46.5 of the popular vote.

Mr. JACOBS: Will the hon. gentleman permit a question?

Mr. EDWARDS (Frontenac): I would permit my hon. friend almost anything.

Mr. JACOBS: In what respect are the Progressives "camouflaged allies"?

Mr. EDWARDS (Frontenac): Well, Mr. Speaker, I guess I will have to retract my former statement and thank my hon. friend for his suggestion. It is perhaps not correct to call them camouflaged Grits. We can leave out the word "camouflaged" and I think we will be more correct. However, it is stretching the imagination very far to call this "a people's government" composed of a party or of two parties—yes, three parties—

An hon. MEMBER: Four parties.

Mr. EDWARDS (Frontenac): Are there four? Well, that makes a four-ring political circus. I thought it was only a three-ring one.

An hon. MEMBER: No, there are actually five.

Mr. EDWARDS (Frontenac): But the two main rings of the circus, at all events, are composed of those representatives immediately opposite me, and those to my immediate left represented by that hon. gentleman who has so successfully played the part of Cincinnatus ever since he came into this parliament. The party across the way came back with 30,000 less of the popular vote than they had in the former election, while the so-called Progressive party, or what is left of it, came back with 486,788 less of the popular vote than they had before. And these two, making the principal combination, are what my hon. friend from Wetaskiwin calls "the people's government." The people's government!

After the election of 1925 the right hon. Prime Minister, having gone down to defeat with about half of his cabinet, looking round to find some place that would accept him and send him back to this House, sent his faithful henchmen out over the province of Ontario. Inquiries were made here and there but without success.

Providence created a vacancy in the county of Bagot but they would not have him represent a county in Quebec.

[Mr. J. W. Edwards.]

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): Not as a member of a constituency, oh, no. In this dilemma, and when he was at his wit's end as to where he was going to get a seat, he received a message from a constituency in the northern part of Saskatchewan which was very specially interested in the construction of a railway. They made a proposition to the Prime Minister. They said: If you will build the Hudson Bay railway for us we will provide you with a Prince Albert to cover the seat you lost on the 29th of October. The cost of the garment was not going to come out of the Prime Minister's pocket, and he was not disposed to haggle about the price. The price has been variously estimated at anywhere from twenty to forty million dollars. I do not know what it will cost, but I will say this: It is the biggest price that was ever paid for a coat in the history of the world. Even Solomon in all his glory was not arrayed in anything so expensive as that Prince Albert is or likely will be. So expensive a coat will it be that when the right hon. Prime Minister is through with it he ought to send it down for inclusion among the relics in the archives.

A short time ago there was introduced into this House a very fine gentleman, the Minister of Labour (Mr. Elliott). I am not disposed to add anything to the difficulties of the Minister of Labour. He is the only cabinet minister representing the province of Ontario, and he has had the responsibility for a great many portfolios placed upon his shoulders. His difficulties are many, but I wish him well. Whatever his qualifications may be to fill the various offices in which he has been placed, at least he has established a reputation for courage. The hon. Minister of Labour proved himself a brave man when he came into that cabinet of derelicts.

There is another hon. gentleman who has come into this House from another part of Canada. He is sometimes referred to as "The Crown Prince of Saskatchewan."

Mr. VALLANCE: By whom?

Mr. EDWARDS (Frontenac): I think it was by the hon. member for South Huron (Mr. McMillan), "The Crown Prince of Saskatchewan" and heir-apparent to a very wobbly throne. Now, I am not disposed to be quite so friendly to the Minister of Railways as I was to the Minister of Labour, and the reason for that attitude is because the Minister of Railways has been very hostile to the province of Ontario. He challenged, a few days ago, the statement made by the hon.

member for Fort William (Mr. Manion). He stated that he had not said that he wanted to make the people of Ontario suffer. No, that was not correct; but he did admit that under oath he stated that his idea was to make the people of Ontario take a dose, and a full dose, of their own medicine.

Mr. WARD: Hear, hear.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. EDWARDS (Frontenac): That remark did not come out very distinctly, although it was heard on the other side of the House. I do not know whether the hon. gentleman meant it or not. Would he mind rising and stating what his constituency is, or will some other hon. gentleman do that for him? He should not be ashamed of it.

Mr. STEVENS: It was the hon. member for Dauphin (Mr. Ward).

Mr. EDWARDS (Frontenac): The hon. member for Dauphin, Manitoba, joins with the Minister of Railways in saying that he wants to punish the people of Ontario—for that is what it means—by imposing—

> a good, steep, prohibitive duty on American coal and then to let the Canadian National Railways charge the fair freight rate for hauling it to them. It is the first time in history that the eastern people have been in the position to take a dose of their own medicine, and I think they should be allowed to take it to the full.

Mr. WARD: Hear, hear.

Mr. EDWARDS (Frontenac): May I ask the hon. member for Dauphin (Mr. Ward) if in saying, "hear, hear" he was also speaking ironically? The Minister of Railways excused his utterance by saying that he spoke ironically. The minister was on oath at the time. Well, if he wants the people of this country to regard him as a man who on oath speaks in that way, that is his business. The dictionary gives a definition of "irony" and "ironical" as follows:

> Expression of one's meaning by language of opposite or different tendency.

Is that what the hon. member meant when he was under oath,—to use words expressing the opposite to what he intended? A further definition is:

> Simulated ignorance to confute opponents.

We all know the Minister of Railways is a very wise man. He has told us so himself. He ought to know, if anybody knows; wisdom is oozing out of every pore of his anatomy. You have only to look at him to see how wise he is, and if you cannot get a sufficient idea of his consummate wisdom by looking at him, look at his record in the west and see how wise he has been in his devious ways in politics and political elections. From what I have been able to see of the Minister of Railways since he came into this House, he does not require, on any of the big questions coming up here, to simulate ignorance for the purpose of confuting any of his opponents. Simulation is absolutely unnecessary.

The hon. member for East Algoma (Mr. Nicholson) made some reference to the war in his speech the other day. He referred to the fact that our men had gone over there to fight to save France and Belgium, and added that the sacrifice meant more than that. The hon. member for Southeast Grey (Miss Macphail) challenged that statement and said:

> Is the hon. gentleman willing, then, not only to support, but if possible to strengthen a policy that can only perpetuate international friction and discord?

The hon. member for Southeast Grey in that sentence was expressing her adherence to the policy of free trade. She made that quite clear in a further expression a little later on, when she said:

> Will the hon. member admit that what caused the late war causes all wars? Will he admit that the prime cause was an economic one, and that the protection of women and children was no part of it?

The hon. member for East Algoma suffered, as you did, Mr. Speaker, irreparable loss in that war. There were others throughout the country who also suffered irreparable loss, in many cases the loss of an only son. There was only one thought, it seems to me, which would tend to brighten the dark cloud of sorrow that hangs over many homes which lost an only son in the war, and that is the thought that the boys who went over there, went there to fight in a just cause; that they gave their lives in defence of France and Belgium, in defence of our empire and of our country, and in defence of the civilization of centuries, the hon. member for Southeast Grey to the contrary notwithstanding.

Mr. FORKE: The hon. member evidently has not much patriotism when he makes a speech such as he is making now.

Mr. EDWARDS (Frontenac): My hon. friend has a right to his opinion. I am not vaunting my patriotism. There are different ways, evidently, of showing one's patriotism.

Mr. FORKE: I would suggest that the hon. member for Frontenac-Addington has a poor way of showing it when he stands up and makes such a speech as he is making now.

Mr. EDWARDS (Frontenac): The high-minded gentleman from the west who got up and made that statement does not hesitate to pose in this House as an independent, but he has not an independent thought in his mind—a man who has been known ever since he entered public life as a party man, who has camouflaged under the name of Progressive, and who, I say, has represented himself as an independent when everybody in this country knows that it is only camouflage. Why does he rise now in defence of the hon. member for Southeast Grey? What have I said further than to quote the hon. member's own words? Am I to understand from the interruption of my hon. friend that he objects to my stating that the boys who gave their lives in the war were fighting in defence of France and Belgium, our empire, our country and our civilization? That is what I said when he rose, evidently in a passion. We all know the hon. member for Southeast Grey will vote the way he wants her to every time.

Mr. FORKE: No doubt about that.

Mr. EDWARDS (Frontenac): It is not necessary for the hon. member to worry himself to get into her good graces. He is in her good graces already and will always be in that position. She will vote whatever way the hon. member for Brandon wishes, as she always has.

Allow me to refer to the statement made by the hon. member for Southeast Grey. That hon. member says that the cause of the war was economic and that the defence of women and children played no part whatever in it. She implies also, and practically asserts, that if we had no tariffs we would have no wars, and that protective tariffs induce and tend to bring about war. Does my hon. friend say "hear, hear" in support of that? Does the hon. member endorse that statement? He is not so vociferous just now.

Mr. FORKE: I object.

Mr. EDWARDS (Frontenac): Sit down.

Mr. FORKE: I rise to a point of order. The hon. member is putting words in my mouth that I did not utter.

Mr. HANSON: He did not put any words in the hon. member's mouth.

Mr. EDWARDS (Frontenac): That may be a point of order, but I do not know what it is. I will say this; that if ever I put words in the hon. gentleman's mouth, when he utters them they will be more sensible than any words he ever uttered. Are we to understand from this argument of the hon. member for Southeast Grey, endorsed by the hon. member for Brandon, that it was the free trade policy of England that induced Germany to go to war? Or was it the tariff that little Belgium had against Germany that so incensed Germany that she sent her troops over to that little country, killing women and children and devastating the country? Was that what led to the war? I cannot imagine free trade nonsense being carried to a greater extreme than it was by the hon. member for Southeast Grey.

10 p.m.

Mr. WOODSWORTH: Is the hon. member aware that the League of Nations is discussing the question how far tariffs are a cause of war and whether the removal of some of the tariffs now in force in Europe might not help to bring about a peaceful settlement of the disputes over there?

Mr. EDWARDS (Frontenac): Can the hon. member tell me what their decision was?

Mr. WOODSWORTH: This is one of the matters which they are considering.

Mr. EDWARDS (Frontenac): It has not been decided yet, has it? Well there are a good many things discussed by the hon. member for Winnipeg North Centre (Mr. Woodsworth) that have not yet been settled, and for the good of Canada I hope to God that a great many of the things he has discussed will never be decided the way he wants them. We have had and we have in this country and in the House two or three hon. members who are here because they rely upon disturbed conditions and unrest to return them. We have those who depend upon, and whose chief support comes from, men out of work and women and children who are hungry. That is why these members believe in a tariff policy which will destroy our factories and industries and throw people out of work. Without that they would have no audience to talk to; they would have no basis upon which to work. We have had, Mr. Speaker, entirely too much socialistic and communistic claptrap in this country, and it was that sort of propaganda that caused the revolution in Winnipeg. I for one, therefore, desire to denounce anyone who is ever ready to flout the flag, to sneer at loyalty and to level adverse criticism at anything British, but whose mouth is always filled with praise of bolshevik Russia, the most immoral, the most debased, and the rottenest country on the face of the globe to-day.

Mr. WOODSWORTH: I do not know whether it was because of my interruption—

Some hon. MEMBERS: Order.

Mr. WOODSWORTH: I rise to a point of order. If the hon. member is referring to me in such absolutely wild statements as he has been making I must resent the references and ask that he withdraw it.

Mr. EDWARDS (Frontenac): I ask your protection, Mr. Speaker.

Some hon. MEMBERS: Oh, oh.

Mr. EDWARDS (Frontenac): I mean, of course, from the standpoint of the rules of the House. My hon. friends opposite who sat in this House with me in previous years know me sufficiently well to realize that I do not ask for quarter from any of them, just as I do not give any. When I refer directly to the hon. member for Winnipeg North Centre he may rise to a point of order, but he has no right to assume that I am referring to him, however correct his assumption may be.

Mr. WOODSWORTH: I do rise to a point of order. If the hon. gentleman implies that he was referring to me in the language he used a moment ago, I must ask that he withdraw the statements he made then.

Mr. EDWARDS (Frontenac): The first thing the hon. member will have to do will be to establish the fact that I was referring to him.

Mr. WOODSWORTH: If that is the case there is nothing to be said.

Mr. EDWARDS (Frontenac): My hon. friend is becoming sensible.

An hon. MEMBER: He has been listening to you.

Mr. EDWARDS (Frontenac): Perhaps you might imbibe a little wit, too; everybody will agree that you need it.

The budget, Mr. Speaker, is always a matter of great public interest, especially to those whose large investments may be sacrificed and those whose daily bread may be jeopardized by the stroke of a pen. There has been a good deal of misrepresentation of the Conservative party in regard to the tariff. I wish therefore for a few minutes to discuss the subject, going back a little way in history.

Between 1878 and 1896 we had a protective tariff in Canada known as the National Policy. Having regard to the threats made by the Liberal party for eighteen years while out of office there was a good deal of apprehension as to what they would do on coming into power. The Laurier government came into office in 1896 and the people found that Liberals in office were a different sort of people from Liberals out of office. At all events, fortunately for the country, that party maintained the policy and principle of protection throughout the fifteen years they were in power. There is absolutely not the shadow of a doubt about that. They went out of office in 1911. The issue in that election was the reciprocity pact, but even in proposing reciprocity the Liberal party did not depart from the principle of protection in relation to manufacturers. Between 1911 and 1921 the Conservative and Union governments still maintained the principle and policy of protection, and that principle and policy may be said to have been carried out by the present government, fairly well at least, up to the session of 1923, when the Right Hon. W. S. Fielding presented his last budget to parliament. In that year, in delivering his budget, the Hon. Mr. Fielding said:

> There is a thought which does not receive as much consideration as I think sometimes it should be given in public discussions, and that is the desirability of something like tariff stability. Business men do not like to be always threatened with changes in the tariff.....The tariff as it will be when the changes proposed to-day come into effect will be a moderate tariff and probably as low as the country can afford to have under present conditions. Of course we cannot expect that it will be satisfactory to everybody. It will not meet the desires of those who would rigidly apply the principles of free trade. It will not meet the wish of the advocates of high protection.

The leader of the opposition at this point interjected:

> It comes pretty close to it.

Mr. Fielding went on:

> I think the country should be content to accept the tariff as it will now stand as one as fair and reasonable as can be prepared under all the circumstances, and business men should be able to carry on the various enterprises without the fear of being soon disturbed by further changes.

That was an announcement on the part of a man who for some seventeen or eighteen years had occupied the position of finance minister of the Dominion, and however much any of us may have differed from him politically, I think I am putting it correctly when I say that the Right Hon. W. S. Fielding was respected from one end of Canada to the other by those of his own political party and also by those who were opposed to him politically. I think I am also correct in stating that it was because he and Sir Lomer Gouin were then members of the government that the wreckers, represented by the hon. member

for Brandon, were unable to get what they wanted. But with the retirement of those two men from the government there was not much left that you could call a government. It was only a makeshift of a government even then; it is still less now.

On the occasion of the introduction of the budget of 1923 the hon. member for Brandon moved a resolution in amendment, in which I find these words:

> Whereas the tariff policy of the government, as indicated by the Minister of Finance in his budget speech, and particularly his pronouncement in favour of tariff stability at existing rates, and the consequent intimation that the government contemplates no further appreciable tariff reduction, constitutes a repudiation of the tariff planks in the Liberal platform of 1919 and is inconsistent with the Finance Minister's statement last session that the changes then made were a step in the right direction.

So we see in these words of the hon. member for Brandon that stability of tariffs is something to which he apparently objects. He said further:

> And whereas the fiscal policy of the government as now brought down is based on the principle of protection, and in this respect is indistinguishable from that of their predecessors in office.

I quote this because it bears out my statement made a moment ago that during the whole time of the Laurier government's tenure of office and down to 1923 the principles of the national policy as laid down by the Conservatives were adhered to by the Liberals. There is another reference here which will bear reading in the light of the attitude now taken by the hon. member for Brandon in regard to the Speech from the Throne. He said:

> Therefore, be it resolved: That while recognizing that changes in the fiscal policy should be made in such a way as to give industries affected a reasonable opportunity for readjustment, this House is of the opinion that the principle of protection as a basis for fiscal policy in Canada is unsound, and that every claim for protection should be heard publicly before a special committee of parliament.

So at that time the hon. gentleman apparently thought that industries affected should have a reasonable opportunity for adjustment. Has any such opportunity been given to the automobile industry? The hon. gentleman in his resolution also stated his belief that where an industry is affected it should be heard publicly before a special committee of parliament. Well, we have now the Tariff Advisory Board. I should like to know from the government if they have lost faith so soon in this board of their own creation. If they still have faith in it, why did they not carry out the pledge given in the Speech from the Throne, that all industries would have an opportunity of placing their case before this board, and that on the facts thus adduced parliament would act? Mr. Speaker, I make this statement that since the Address in reply to the Speech from the Throne was passed, this House stands committed to carrying it into effect. Those who voted for it certainly, and the members of the government more especially, were pledged by the adoption of that Speech from the Throne—which they framed and placed in the mouth of His Excellency—to carry it into effect; and I do not believe, Sir, that in the history of this or any other democratic country on the face of the globe there has ever been such a flagrant violation of solemn pledges given before the election and reiterated in the Speech from the Throne as this government has been guilty of in connection with the adjustment of duties brought down by the Minister of Finance in his budget speech. I say that every member, especially on that side of the House, as well as every member who sits to my left, is in honour pledged to vote against that part of the budget, because if he does not do so he is repudiating the vote that he gave in support of the Address, and is therefore violating his honour as a public man.

A word or two more, Mr. Speaker, in regard to protection. We have had free trade theorists and free trade faddists in the country and in this House. I suppose we always will have them here until the people put the matter right by leaving them at home. The late President McKinley said on one occasion, "Nothing is cheap which enforces idleness on our people." I should like that statement to sink into the minds of every member, especially of those who profess to follow free trade doctrine. "Nothing is cheap which enforces idleness on our people." And idleness has been enforced on our people by the attitude and course of this government to such an extent that hundreds of thousands of our young men have been forced to go across the line to seek employment. The free trade theorists base their conclusions on two cardinal errors: first, that the burden of an import duty must fall upon the consumer; second, that a tariff must increase the cost of the article taxed. Both assumptions have been proved by experience and history to be absolutely false. The free trade theorist has a pet conundrum which he frequently brings forward when he seeks to annihilate his opponent: how can you cheapen an article by taxing it? I wonder if any hon. gentleman will carry his free trade ideas far enough to endorse that statement.

There are two distinct classes of import duties: Those levied on articles which are

not and cannot be produced in Canada, for example, tea, coffee and cocoa; and those levied on articles which are or can be produced in Canada. In the first class the entire supply is imported and there is no possibility of competition between the dutiable article and the article produced here. In such cases the duty is added to the price, subject however to such modifications as may be brought about by the use of substitutes. In the second class there are both inside and outside sources of supply. That produced at home is duty free; that imported bears a duty, and the duty on the imported article has the effect of encouraging the increased production of the duty free article supplied at home. I answer the conundrum, therefore, in this way: The article cannot be cheapened by taxing the whole available supply, but is inevitably made dearer. It is perfectly possible, however, and history and experience have proved it to be true, that taxing a part of the supply as is done by a protective tariff may cheapen the article by encouraging increased production of that part which is duty free because produced at home.

Let me illustrate that contention by some indisputable facts. In 1883 the duty on agricultural implements was raised to 35 per cent. Between 1886 and 1890 we had nineteen factories in Ontario alone making binders, as against nine factories in the same line of business in the United States. Did binders go up in price? On the contrary, the competition in Ontario was so keen that many of the firms went out of business because of the low price of the article they were selling. I heard it argued in this House by the Hon. Mr. Crerar, on one occasion, that the duty imposed obliged the consumer to pay the amount of that duty extra, not only on the imported article but on similar articles made in this country. Supposing, for instance, there was a duty of $10 on an American mower coming into Canada. It was argued that the man in Canada who bought an American mower would have to pay $10 more because of the duty; but it was also argued that he would have to pay $10 more on a mower produced in Canada because of the duty. I wonder if any hon. gentleman in this House will endorse that argument. It has been presented here before, and I say it is absolutely fallacious. Canada produced some 280,000,000 pounds of butter last year, 95 per cent of which is consumed at home.

Mr. EVANS: Will the hon. gentleman permit a question? If the duty did not raise the price of the mower manufactured in Canada why does the manufacturer need protection at all, or why does he ask for it?

Mr. EDWARDS (Frontenac): That is a fair question. In the first place I do not say that the imposition of a duty has no effect on the price; do not understand me as saying that. My statement was and is that the duty upon an article produced to some extent in this country is shared; a part of it may be paid by the consumer here and a part will be paid by the country from which the article comes. There the law of supply and demand will govern.

Why, Sir, if it is argued that the duty adds so much to the price of the article, on the 280,000,000 pounds of butter produced in this country, with a tariff of 4 cents, the farmers obtain every year $11,200,000 more for their butter than they otherwise would receive. If you can make me believe that I will immediately advocate the raising of our duty on butter to 8 cents and then to 12 cents, so that the farmers will have $22,000,000 and $33,000,000 more to put in their pockets. If the imposition of a duty adds the amount of that duty to the cost of the article, our farmers are reaping an extra profit of some $7,000,000 on cheese; of some $6,000,000 or $7,000,000 on eggs because of the 3 cent duty imposed on eggs. They will also reap a benefit of some millions of dollars because of the duty imposed on oats, wheat, barley and so forth. No hon. gentleman in this House believes for one moment, I am sure, that the addition of the duty on all these article adds so much to the price. It is just as consitent and reasonable to argue that the price of butter, eggs, meat and so on is increased to the full amount of the duty, as to claim that a binder, a mower or any other implement has its price added to by the amount of the duty on that article One proposition is just as sensible and reasonable as the other, but neither is reasonable.

When the McKenna duties came into operation in October 1915 they placed a 33⅓ per cent duty on motor cars, motorcycles, pianos and other musical instruments, clocks and watches, and cinema films. What was the result? The price of foreign cars in England dropped 21 per cent; the price of British cars dropped 30 per cent and the number of men employed in that industry increased from 50,000 to 300,000. Let me give you another illustration. Free trade England passed what is called the Dyestuffs Import Regulation Act in 1920, under Premier Lloyd George. In June 1921 the price of dyestuffs was 4s. 4d. per pound. In December of that year, under the protective tariff, the price was 3s. 6d. per pound; one year later it was 2s. 6d.; in 1923 it was 1s. a pound, or a reduction in three

years of 73 per cent, under protection. Then we have the Safeguarding of Industries Act, which was passed in England in 1921. Hollowware goods came under that act, and the duty imposed led to a 33⅓ per cent increase in employment and a 15 per cent decrease in the price of the article.

In the United States in 1870 steel rails cost $107 per ton. A duty of $28 per ton was imposed; in 1874 the price dropped to $49; in 1876 it was $39. In 1883 the United States, considering the steel industry on its feet, reduced the duty to $17 a ton, and by 1898 the price had fallen to $17.62 per ton. In 1883 the United States raised the duty on wire nails to 4 cents a pound, and in eight years the price fell to less than 2 cents a pound. In 1890 the McKinley tariff placed a duty of 2.2 cents per pound on tin-plate, which was then selling in the United States at 3½ cents per pound, and by 1894 the price was down to 2.9 cents, and by 1898 it was 2.2 cents.

May I add a further statement? A committee was appointed by the United States Senate to inquire into the effect on prices of the McKinley tariff. That committee reported that in the first twenty-eight months of the operation of the McKinley tariff the retail prices of 214 articles of common consumption had fallen by 64 per cent, while wages had risen by 75 per cent. As a protectionist, Mr. Speaker, I claim that the duty is not added to the price except when people are entirely dependent on foreign supply. Primarily it is labour that is most interested in protection. The man with money can seek other avenues of profit or wait for his dividends, but the labourer cannot wait for his dinner.

There are a few things which I want to call to the attention especially of hon. gentlemen from the west. I want to refer for a few minutes to six staple articles of food—bread, butter, milk, meats, potatoes and eggs. Of these articles Canada as a whole produced an exportable surplus amounting in 1924 to $384,000,000. Each province, however, does not produce enough of all these articles for its own use, and to the extent to which any province falls short of producing these necessities of life, that province affords the best market in the world for the sister provinces which have a surplus of those articles.

Let me refer for a moment to wheat, because it seems to me—perhaps I am unjust in this; I do not want to be—that hon. members from the west make everything revolve around wheat. I know it is a very important article, very important indeed to the west, and I can understand to a certain extent their attitude,

[Mr. Evans.]

but let me point this out to them: Canada exports wheat to some thirty countries. Canada exports flour to some seventy-nine countries. Our exports of wheat and flour, that is, flour converted into bushels of wheat, amounted in 1924 to 309,340,000 bushels. Let us look at our principal markets for that. First of all, our principal market is the United Kingdom, which in 1924 bought from Canada 173,000,000 bushels of wheat and 4,234,000 barrels of flour. Who was our second best customer? The United States bought from us, in 1924, 21,228,000 bushels of wheat and 221,641 barrels of flour. Taking wheat and flour together, perhaps some would say that the United States is our second best customer, but so far as flour is concerned it is fourteenth on the list of Canada's customers. Our second best customer for Canadian wheat is not the United States, but the Dominion of Canada, which in the year I have mentioned, 1924, required for food and seed some 85,000,000 bushels of wheat. Prince Edward Island had a small surplus; Ontario had a surplus in that year of over 7,000,000 bushels; Nova Scotia, New Brunswick, Quebec and British Columbia ran short of their requirements for food to the extent of 16,669,000 bushels, and to that extent those four provinces provided a market, that is for food purposes alone, to say nothing of seed, for the wheat of the west to the amount of 16,669,000 bushels. They sent to the west over $20,000,000 to pay for that wheat, an amount just equal to the total received from the United States for our wheat, an amount double that received from Germany for our flour, an amount greater than the total received by Canada for our flour from our next fifteen best customers.

In this connection I might also mention that our exports of flour in 1924 represented 403,307 tons of by-products, which are of immense value to our farmers in the west as well as to those in the east.

It has been said that the price of wheat is fixed in the United Kingdom. Taken as a general statement, I think that that is true, but I believe it is subject to some modification. The average price of wheat for all Canada in 1924 was $1.22; in Manitoba, $1.24; Saskatchewan, $1.21; Alberta, $1.20; Ontario, $1.27. Each of these provinces had an exportable surplus, comparatively small in the case of Ontario, but very, very large in the west. Quebec, Nova Scotia and New Brunswick had a shortage. In Quebec the average price for the whole year was $1.66; New Brunswick, $1.78; Nova Scotia, $1.61; Prince Edward Island, $1.59. There was a shortage in Nova Scotia and New Brunswick of 4,216,000 bushels.

Prince Edward Island had a small surplus of some 50,000 bushels, so we can understand the reason why the price kept up in Prince Edward Island, because her small surplus of 50,000 bushels was very easily taken up by Nova Scotia and New Brunswick. There was a shortage in British Columbia. Now for the wheat required in British Columbia for food purposes, that province sent over $2,000,000 to Alberta; I presume they sent it to Alberta because that would be the nearest. Now I want to say this, that the farmers of Alberta who supplied the $2,000,000 worth of what was needed in British Columbia should not only be willing but should be glad to use British Columbia apples, instead of apples from the state of Washington, and that, Sir, is something which you can apply all around.

In regard to butter and milk products, our exports in 1925 amounted to $58,000,000. Our production in 1924 was 278,000,000 pounds. Our exports amounted to 13,648,000 pounds. Our home market took care of 95 per cent of our production. All of the provinces did not have what they required of butter. Nova Scotia, New Brunswick and British Columbia fell short of their requirements some 12,000,000 pounds.

In regard to cheese, Nova Scotia, New Brunswick, Manitoba, Saskatchewan, Alberta and British Columbia fell short of their requirements. I do think, Mr. Speaker, that there is some justification for people in the east charging those in the west with being selfish. I maintain that those provinces which fell short of their requirements of butter and cheese should buy from the provinces which have a surplus, and that those other provinces should return the compliment when they require something which the other provinces have to sell.

Mr. YOUNG (Weyburn): Did the production of the provinces fall short of their own requirements?

Mr. EDWARDS (Frontenac): Do you mean in the case of butter?

Mr. YOUNG (Weyburn): Yes.

Mr. EDWARDS (Frontenac): No. The provinces of Saskatchewan, Manitoba and Alberta had a surplus of about 27,000,000 pounds of butter.

Mr. EVANS: Then where does the selfishness come in?

Mr. EDWARDS (Frontenac): There are other provinces besides those I have just mentioned. My general statement was that in cases where the prairie provinces required products, for instance British Columbia apples, they should buy British Columbia apples as readily as that province buys their wheat. That is the statement I make and, it seems to me, it is plain and easily understood. In regard to cheese, the prairie provinces did fall short. Manitoba, Saskatchewan and Alberta each fell short, the total shortage for the three provinces being about three and a half million pounds.

Mr. YOUNG (Weyburn): Where did they get their supplies?

Mr. EDWARDS (Frontenac): I cannot say where they got their supplies. I presume they got them from the provinces which had a surplus. My argument is that is what they should do. Other provinces take your wheat, as in the case of the provinces I mentioned a while ago. Seeing that the prairie provinces are able to market their surplus wheat in the province of Quebec and other provinces, then when those provinces fall short in their supply of cheese they ought to be willing to back up the industry which makes cheese in eastern Canada. But apparently that is not what they are willing to do. We in the east ask for and think we are entitled to a fair degree of protection in those articles which we handle especially.

Mr. BROWN: To make his argument fair the hon. gentleman ought to show that we are getting protection on our wheat such as British Columbia is asking for its apples. My hon. friend's argument is not fair unless he points that out.

Mr. YOUNG (Weyburn): I want to ask the hon. gentleman—

Mr. EDWARDS (Frontenac): One at a time if you please. I do not think the hon. gentleman's position is quite right. He says I must show that the west has protection on its wheat in order to make good my argument that we should be accorded protection on our products in this part of Canada. Is that what I understood my hon. friend to say?

Mr. BROWN: The hon. member has made a comparison between the prairie provinces and British Columbia. He says we in the prairie provinces ought to buy British Columbia apples because they buy our wheat. The point is this: Is British Columbia buying our wheat because it is Canadian wheat or because it is the wheat most convenient for them to get?

Mr. EDWARDS (Frontenac): I presume that British Columbia is buying your wheat in Alberta because it is most convenient for them to do so.

Mr. BROWN: Exactly.

Mr. EDWARDS (Frontenac): I presume that is true, but it does not alter the fact that they are buying your wheat. You say it is impossible to protect your wheat. Very well, if it is impossible to protect your wheat is that any reason why you should deny protection to an article which requires and can be accorded protection? I do not think that argument holds good.

Mr. YOUNG (Weyburn): We buy all our cheese from the other provinces. Why is it necessary for them to ask protection in our markets? They have it anyway.

Mr. EDWARDS (Frontenac): I will come to that in a moment, I think the question is very easily answered. Speaking in a general way my statement would be this: I contend that a farmer in Canada, I do not care what he is producing, should, by a fair and reasonable adjustment of the tariff, be practically guaranteed that the article he produces will be used on Canadian tables instead of imported articles. You can apply that to anything you like, and if you can show me that you need protection for your wheat I will hold up both hands for it.

Mr. EVANS: How are you going to do it?

Mr. EDWARDS (Frontenac): I say that we do require protection in regard to such commodities as butter, eggs, meat, and many other articles this country produces.

Mr. EVANS: Will you say how wheat can be protected?

Mr. EDWARDS (Frontenac): No, I will not say how it can be protected. I do not think that it needs protection.

Mr. VALLANCE: Has it not been proven that the production costs more than we get for it?

Mr. EDWARDS (Frontenac): You mean the cost of production is more than you get for it?

Mr. VALLANCE: Yes.

Mr. EDWARDS (Frontenac): I have heard that stated. I presume you would know better whether the statement was correct than I. If that is a fact one would naturally suppose that in continuing to raise wheat you are only digging the hole all the deeper. Still you go on raising more wheat. But what has that to do with my argument? I was arguing the point as to whether you require protection for your wheat or not. We will let it go at that as far as wheat is concerned and I will finish my argument with respect to the things that do need protection.

[Mr. Brown.]

Mr. McLEAN (Melfort): Do you consider it fair to compel the producers in other parts of Canada to buy your articles at an artificial price when they have to sell their own products in the world's markets?

Mr. EDWARDS (Frontenac): You do not sell all your wheat in the world's markets, not by any means.

Mr. McLEAN (Melfort): Absolutely.

Mr. EDWARDS (Frontenac): Oh, no, you do not; and I have given you figures to-night which bear out my statement that the average price of $1.22 in 1924 did not apply in that year to all parts of Canada.

Mr. McLEAN (Melfort): Consider the freight and the handling charges.

Mr. EDWARDS (Frontenac): You would have the freight and the handling charges on whatever you sent down to the east where the price was more than $1.22. But I said in the beginning that so far as the price of wheat was concerned, speaking generally I was willing to admit that the price was fixed in the markets of the world. Generally speaking I believe that is correct, but in my judgment that is no reason why you should deny the protection which is needed in all fairness to the mixed farmers of Ontario and Quebec.

Mr. EVANS: Does the hon. gentleman imply that we get more in Canada for our wheat than we do in the world's markets?

Mr. EDWARDS (Frontenac). I did not imply that, I stated it. I gave you the figures which I have taken from the government's own reports, and inasmuch as you are supporting this government very faithfully I do not suppose you will question the correctness of any of those reports.

Mr. BROWN: The figures may be reliable but a very wrong inference may be drawn from them.

Mr. EDWARDS (Frontenac): That is a matter of judgment. I presume my hon. friend will admit that if there is a wrong inference drawn it may be on his part.

Mr. McLEAN (Melfort): Does the hon. gentleman think we should be compelled by

the tariff to buy at artificial prices when we have to sell what we produce in the world's markets at the prices prevailing there?

Mr. EDWARDS (Frontenac): My hon. friends think that if I answer yes to that question I would be conceding that the placing of a tariff on an article gives that article an artificial price. That is what is in my hon. friends' minds. I do not concede that for a moment. It is not true, and history and experience have proved that it is not true Again and again it has been proven that the imposition of a tariff does not place an artificial price on an article which is protected. That will apply in the case of an article which cannot be produced in this country. Get that into your heads and keep it there. I direct that advice especially to the hon. member for Rosetown.

Mr. EVANS: Give us an instance.

Mr. EDWARDS (Frontenac): I have given instances already.

Mr. YOUNG (Weyburn): May I ask the hon. gentleman—

Mr. EDWARDS (Frontenac): Sit down for a minute. I think I have been very good to the Saskatchewan kindergarten this evening.

Mr. McLEAN (Melfort): Will the hon. gentleman permit me to ask one more question?

Mr. EDWARDS (Frontenac): Well, yes, I will.

Mr. McLEAN (Melfort): Would the hon. member be kind enough to give us an instance of goods produced in Canada, instead of quoting exclusively in regard to goods produced in Britain and the United States, as to the price being raised by the tariff?

Mr. EDWARDS (Frontenac): I do not know whether or not my hon. friend was in the House when I began to speak; I do not think he was. I did give an instance in the case of agricultural implements where the duty was raised to 35 per cent, and where, as a result of that, some nineteen establishments were set up in the province of Ontario, where the price was reduced because of the home competition. If my hon. friends are willing to admit that competition from outside will reduce the price, what is the matter with admitting that the same result will follow if we have competition at home? We had lots of competition introduced by the protective tariff which led to the establishment of industries.

Mr. EVANS: Will my hon. friend again give an instance?

Mr. EDWARDS (Frontenac): The thirst for knowledge which is being exhibited by the hon. member for Rosetown and certain other members of the House is, I will admit, very commendable, but I recognize, Mr. Speaker, the utter impossibility of filling the aching void in their craniums between now and this time to-morrow. With all due respect, therefore, and with due regard and anxious solicitude for their welfare, recognizing their need for information of a reliable character, I will take a week-end off some time and try to pump some common sense into their heads, even into the head of the hon. member for Rosetown. Now, perhaps my hon. friend's question may be answered if he will listen to some further statements I have to make. I gave instances of the prices in Great Britain—

Mr. EVANS: We are speaking of Canada.

Mr. EDWARDS (Frontenac): Why not Great Britain as well as Canada? My hon. friend would not question for a moment that a tariff which would produce the result it has produced in Great Britain would not have the same effect in Canada. There is no use trying to get anything in that hon. member's head. It is simply a waste of effort, and I have spent too much time on him already. I would not mind spending the time on him or on any of the kindergarten members over the way if there were any chance of getting results, but for some reason or other they seem to be past hope; they do not seem to be able to grasp anything to-night.

Mr. EVANS: The hon. member is up against it.

Mr. EDWARDS (Frontenac): Perhaps the reason my hon. friend interrupted once or twice is that he wanted to get his name on Hansard. I have noticed several times that hon. members on the other side of the chamber make it a business to interrupt in order to get their names on Hansard, but when it comes to making a speech, that is another matter.

The attitude of the present government in regard to the tariff is most unfair to the Dominion of Canada, as between Canada and the United States. I have in my hand a list which will show the duty imposed by the United States for the protection of their farmers and the protection given to Canadian farmers by the King government on the same articles. The list includes some fifteen articles, showing the Canadian duty and the American

duty. I presume, in view of the many interruptions, that no person will deny me the right to put this list on Hansard without reading it all. Surely I have the consent of hon. members to that.

Some hon. MEMBERS: Yes.

Mr. EDWARDS (Frontenac): The following list will show the duties imposed by the United States for the protection of their farmers and the protection given to Canadian farmers by the King government:

—	Canadian Duty	American Duty
Butter	4c. a lb.	12c. a lb.
Cheese	3c. a lb.	8c. a lb.
Eggs	3c. a dozen	8c. a dozen
Lamb	3c. a lb.	4c. a lb.
Milk	Free	2½c. a gallon
Cream	Free	20c. a gallon
Potatoes	35c. per 100 lbs.	50c. per 100 lbs.
Hay	$2 a ton	$4 a ton
Corn	Free	15c. a bushel
Wheat	12c. a bushel	42c. a bushel
Flour	50c. a barrel	$2.04 a barrel
Fruits	25%	35%
Wool	Free	31c. a lb.
Cattle	25%	40%
Woollens	27½%	100%
Woollen clothing	27½%	75%
Woollen hose	25%	75%
Silk fabrics	15%	55%
Hats	22½%	33⅓%
Blankets	22½%	75%

I want to put on record the same thing with regard to Australia, comparing the rates of duty imposed by Australia on Canadian goods and the Canadian duty on Australian goods imported into this country:

—	Australian Tariff	Canadian Tariff
Fresh and smoked meats	5c. a lb.	½c. a lb.
Canned meats	5c. "	15%
Canned fruit	8½c. "	½c. a lb.
Honey	4c. "	1c. "
Butter	6c. "	1c. "
Dried apples and peaches	8c. "	10%
Cheese	6c. "	Free
Lard	4c. "	"
Tallow	1c. "	"
Onions	1½c. "	"
Fresh vegetables	½c. "	"
Canned vegetables	30%	"
Fruit pulp	1½c. a lb.	"
Beeswax	2c. "	"
Eggs	18c. a dozen	"

I wish to express my appreciation of the extreme generosity of the House in permitting these figures to go on Hansard without my reading them. I admit they have been read before, but I am anxious to put them on record, because I really think after all that even my hon. friend from Rosetown, if he will sit down and seriously consider this matter, may change his view. I do not know. I say "may", and I put emphasis on that word.

I have said that under the Laurier government we had a policy of protection. Allow me to make good that statement by giving the figures. The Canadian tariff under the Laurier government on dutiable goods averaged for the fifteen years they were in power 28.25 per cent. The tariff under the Conservative government in 1921, on dutiable goods entering Canada, was 23 per cent. The tariff prior to 1911, on all imports dutiable and free, under the Liberal administration was 16.5, and in 1921, it averaged less than 15 per cent. The tariff on farm implements previous to 1911 averaged 20.18 per cent, and the tariff on farm implements under the proposed reciprocity agreement averaged 17.33 per cent. The tariff under the Conservative government in 1921 on farm implements averaged 14.64 per cent. So that when hon. gentlemen opposite say, as they do sometimes, that their policy is to adopt, if they get a chance, the reciprocity pact of 1911, they are proposing to expose the farmer of this country to the competition of the world in the sale of all that he produces, and to oblige him to pay a higher duty on articles of production than he is paying at the present time, because the reciprocity pact of 1911 had a higher range of duties on agricultural implements than that which obtained in this country in 1921.

Mr. BROWN: How will that affect them? The hon. member just said that the tariff did not raise the price.

Mr. EDWARDS (Frontenac): Does the hon. gentleman think it hurts him?

Mr. BROWN: The hon. member is advancing that as one of the offsets to the benefit of reciprocity.

Mr. EDWARDS (Frontenac): No, I am not advancing it in that way at all. I am trying if I possibly can to get something resembling consistency into the minds of the hon. gentleman and those around him. That is a very hard thing to do, because one moment they talk as if they wanted free trade in agricultural implements, and in the next breath they say, "Give us the reciprocity pact of 1911." I am pointing out their own inconsistency, because in asking for the reciprocity pact of 1911 they are asking that the duties be raised higher than they are at present.

Mr. YOUNG (Weyburn): Under the reciprocity pact the duty was 17½ per cent.

Mr. EDWARDS (Frontenac): The hon. member is wrong again. Under the reciprocity pact it was not 17½ per cent, it was 15 per

cent, and the hon. gentleman did not know it; so I have given another lesson to one of the kindergarten class. With the permission of the House I will put on Hansard a comparative table showing respectively the rates of duty on sixteen farm implements under the Liberal and the Conservative governments and under the proposed reciprocity agreement:

11 p.m.

Farm Implement	Liberal Government		Reciprocity Agreement		Conservative Government		United Grain Growers' Co.	
	Rate of Duty	Amount of Duty	Rate of Duty	Amount of Duty	Rate of Duty	Amount of Duty	Percentage of Profit	Profit in Cash
	p.c.	$	p.c.	$	p.c.	$	p.c.	$
1. Binder	17½	31 92	15	27 36	12½	22 80	21·06	38 30
2. Mower	17½	10 99	15	9 42	12½	7 85	21·06	13 18
3. Horserake	20	7 00	15	5 25	15	5 25	21·06	8 82
4. Hay loader	25	22 62	20	18 10	20	18 10	21·06	19 00
5. Manure spreader	20	25 00	20	25 00	15	18 75	21·06	26 25
6. Seed drill	20	15 46	15	11 60	15	11 60	21·06	16 24
7. Farm wagon	25	16 00	22½	14 40	20	12 80	21·06	13 44
8. Farm roller	25	17 31	20	13 85	20	13 85	21·06	14 54
9. Fanning mill	25	5 37	20	4 30	20	4 30	21·06	4 51
10. Windmill	20	11 42	20	11 42	17½	10 00	21·06	12 00
11. Disc harrow	20	8 00	15	6 00	15	6 00	21·06	8 40
12. Spring tooth cultivator	20	12 80	15	9 60	15	9 60	21·06	13 44
13. Spike tooth harrow	20	4 40	15	3 30	15	3 30	21·06	4 62
14. Scuffler	25	3 00	20	1 80	20	1 80	21·06	1 89
15. Traction engine	20	.....	15	.....	Free	.....	.....	.....
16. Ditching machine	20	.....	20	.....	Free	.....	.....	.....
Average rate for 16 machines	21·25	.....	17·64	.....	14·5	.....	21·06	.....
Equivalent of duty in cash not including traction engine and ditching machine.	.....	191 29	.....	161 40	.....	146 00	.....	194 63

It will be noticed that in thirteen of the sixteen implements the Conservative tariff was 5 per cent lower than the Liberal tariff and 2½ per cent lower on one, and that while the Liberals imposed a duty of 20 per cent on traction engines and ditching machines, these were free under the Conservative government. On those sixteen implements the average rate of duty under the Liberal government was 21.25 per cent. Under the proposed reciprocity agreement it was 17.6 per cent and under the Conservative administration in 1921 it was 14.5 per cent. Converted into dollars, the duty on these sixteen articles amounted to $191.29 under the Liberal government; $161.40 under reciprocity, and $146 under the Conservative tariff of 1921.

I want to call attention to another matter —and this is for the particular delectation of hon. gentlemen from the west. During the time that we had a duty of 12½ per cent on binders an institution in the west—

An hon. MEMBER: Twelve and a half or 15 per cent?

Mr. EDWARDS (Frontenac): The duty on binders under the Liberal government was 17½ per cent, under reciprocity 15 per cent, and under the Conservatives 12½ per cent. Let me tell my hon. friend for his further information—I do not think it will crowd his grey matter too much to get a little more knowledge—that in the reduction of the duty from 35 to 6 per cent, that is to say, a reduction of 29 per cent, 9 per cent was taken off by the Liberals and 20 per cent by the Conservatives. But the point I want to refer to particularly, as being of special interest to hon. gentlemen from the west, is that while they and others in western Canada were complaining against the duty of 12½ per cent which they said obliged the farmer to pay $22.80 more for his binder, the United Grain Growers Grain Company was taking 21 per cent of a profit on the same implement, or $38.30. That is a fact. They were also taking 21 per cent on mowers. That is to say, they pocketed $13.18 on a mower while at the same time they were complaining that the tariff obliged the farmer to pay $7.85 more than he should And so it was in regard to all these articles I have mentioned. According to the sworn evidenc of Mr. Rice Jones—I do not think he was speaking ironically, either, while under oath, because he was getting $13,000 a year and he should have been able to tell the truth on that—the company made some considerable profits. As manager for the United Grain Growers' Grain Company he declared in his sworn evidence, given before a committee in this building, that the company took in profits in one year, on the farm implements they sold, the sum of $272,215, while they pocketed $68,383 in profits on lumber. On coal they took profits to the extent of $89,363.50 and on apples, $14,378.58. In the year 1915-16 their

grain profits amounted to $855,288, or 62.2 per cent. This will be found at page 821 of the evidence. In 1916-17 their profits were $844,401, or 44.92 per cent, and in 1917-18 they were $441,769, or 19.7 per cent—there was not so much grain that year. Their total profits in two years amounted therefore to $1,699,689, or an average of 53.56 per cent. And those profits, be it remembered, were made in war years. They were war profits and these were war profiteers. According to the sworn evidence of this gentleman they had in five years a shortage of 3,800 bushels of grain which had leaked out of the cars. They covered that shortage by what they called overages made possible by underweighing the farmers' grain, so that they took in those same five years 357,000 bushels of overages, or ten bushels from the farmer for every bushel of shortage.

Mr. EVANS: Will the hon. gentleman allow me a question?

Mr. EDWARDS (Frontenac): I will not; I must ask the hon. member to sit down. He cannot work that sort of game. They sold the overages for $418,000.

Mr. McLEAN (Melfort): I rise to a point of order. The hon. member said that the United Grain Growers underweighted the grain. He must know that neither the United Grain Growers nor any other company can weigh grain at the terminals.

Mr. EDWARDS (Frontenac): I suppose we have to put up with these children. What the hon. member says does not constitute a point of order, and if my hon. friend from Melfort had any intelligence—

Mr. McLEAN (Melfort): I rise to a point of order. No hon. member has any right to cast reflections in any way on other hon. gentlemen.

Mr. EDWARDS (Frontenac): Does the hon. gentleman—

Mr. McLEAN (Melfort): I would ask, Mr. Speaker, that the hon. member be directed to withdraw the remark.

Mr. EDWARDS (Frontenac): Well, the kindergarten is becoming really amusing. I suppose the hon. gentleman wants to get something off his chest and pretend it is another point of order. However, to proceed. In the five years during which they said they had a shortage of 3,800 bushels they had overages to the extent of 357,000 bushels, and as the grain was weighed in their own elevators the only way in which the overages could occur was by giving the farmers less than their grain really weighed.

Mr. BROWN: That shows what the hon. member knows about it.

Mr. EDWARDS (Frontenac): I was not getting any dividends from it; perhaps you were. They sold the overages for $418,000

Mr. McLEAN (Melfort): I appeal to you on a point of order, Mr. Speaker. I would ask the old man across the floor to be more respectful.

Mr. EDWARDS (Frontenac): Now, Mr. Speaker, I have endeavoured to be as good humoured in this matter as possible, but my patience has about reached its limit. I do not propose to submit to any further interruptions of this sort from hon. gentlemen opposite. I have correctly estimated the intelligence of the hon. member for Melfort and have made allowance for it, but there is a limit beyond which even he may not be permitted to go, and I ask you, Mr. Speaker, to see that my right is respected and to prevent the hon. gentleman from acting as he has been doing.

Let me call the attention of the House to another point. They invested $100,000 in a subsidiary concern in New York known as the New York Export Company, and according to the sworn evidence of their manager their profits from that company in one year amounted to $530,000, or 530 per cent—this on the part of heaven-sent politicians, the angels of political purity, who were howling their heads off about a duty of 12½ per cent on binders. They objected to such a duty but they could take 530 per cent out of the farmers. Every vestige of profit this company made they secured from the grain they bought from the farmers, and from the implements and supplies they sold to them. Indeed, they made such exorbitant profits, as revealed in their own evidence given before a committee of this House, as would cause them to damn any company in the Dominion, outside their own concern, which had received even one-quarter of what they got. I say in the presence of these gentlemen, Mr. Speaker, that the most conscienceless, cold-blooded, soulless profiteering monopoly that ever existed in the Dominion was the United Grain Growers' Grain Company, whose leaders framed the policy of the Progressive party that is now sitting in this House. I might refer to the profits they made on screenings. During those years, including the war, screenings averaged $8.84 a ton. When Mr. Crerar was Minister of Agriculture he bought some, as he said, for the benefit of

the farmers down east at $35 a ton. The government lost $96,446.46. He was Minister of Agriculture at that time as well as president of this big company in the west. That was one occasion when the president of the company, in the person of Mr. Crerar, put one over on the Minister of Agriculture, also in the person of Mr. Crerar. He bought 1,616 tons from the Maharg Company at $46,560.

Now, Sir, it has been suggested that tariffs do not make any difference in trade. The effect of the Fordney-McCumber tariff may be seen in the following figures covering a period of three months just before that tariff came into operation and the same three months of the year following.

EFFECT OF FORDNEY TARIFF

Some Exports of Canada for three months before and thre months after Fordney Tariff

—	June, July and Aug. before Fordney Tariff	June, July and Aug. after Fordney Tariff
Butter	3,176,158 lbs. (2½c.)	200,926 lbs. (8c.)
Cheese	120,848 "	13,945 "
Meats	10,434,000 "	5,650,000 "
Wool	1,298,978 " (F.)	18,652 " (45c.)
Cattle	58,867 head (F.)	18,811 head(40%)
Potatoes	249,514 bush. (F)	66,749 bush. (50c)
Flour	74,649 bbls. (F.)	11,627 bbls.($2.04

In last 10 years United States has sold to Canada $2,000,000,000 more than Canada has sold to the United States.

This shows the effect which the Fordney-McCumber tariff had upon our export trade to the United States.

I want to say that that tariff was placed on the statute books of the United States at the demand of the farmers who live in the northern tier of states, where they have found it impossible to compete with the cheap farm production of the southern states. Half of the states in the Union, as their statistics show, report a reduction in the value of farms and in improved farm acreage. Where are they? They are in the northern part where their climate is similar to ours. The other half having a mild climate show an increase of farm acreage and farm values. The farmers of these northern states went to congress and said: "We realize that we cannot get protection against our neighbouring states, but we insist that we be protected against the importations from Canada and other countries; you can protect us to that extent." It was to meet that demand that the Fordney-McCumber tariff was passed. Those farmers just recently demanded an addition to the duty on butter, and at their request it was raised from eight to twelve cents a pound. In the face of these facts we are told that our farmers do not need any protection; we are told that we are not affected by severe climatic conditions; when the dairymen of New Zealand and Australia are producing butter at the lowest cost of production, and our dairymen are producing it at the highest cost of production, we are told that we must not have protection. Hon. gentlemen like my friend from Rosetown (Mr. Evans) and some of those occupying the kindergarten from Saskatchewan repeat that they are not particularly affected, that the only thing they are interested in is wheat. Apparently they do not care anything for the people of Ontario and Quebec—the two provinces which to-day are paying seventy cents of every dollar collected to run this country—the people of those provinces in the estimation of some hon. gentlemen in this House are deserving of no consideration at all. I realize quite well of course that the government and its assistants are actuated by a spirit of revenge. They do not like the result of the elections in October last; they will like even less the results when the next elections come around not only there but in other parts of the country.

An hon. MEMBER: Order.

Mr. EDWARDS (Frontenac): Is my hon. friend asking something?

An hon. MEMBER: No, he is just groaning.

Mr. EDWARDS (Frontenac): The only other matter I wish to refer to is immigration In the speech from the Throne it is said:

> We have formulated and put into operation a comprehensive immigration plan.

What comprehensive plan have they put into operation? What comprehensive plan have they even formulated? Plans they have spoken of every year, one, two, three, but I should like any person to tell me of one single plan in regard to immigration which this government has put into successful operation. Even their plan to bring out 3,000 families from Great Britain has fallen down. I am informed that the government notified the railways not to bring out any more families under that scheme. Why? Well, they say they cannot provide them with farms. I have some information in regard to that, Mr. Speaker. I have in this hand a list of over 700 farms in Ontario, prepared by the provincial government. Those farms are available. In this other hand I have a list of 656 farms in the little province of Prince Edward Island. Those also are available if the government choose to place settlers upon them. I have a further list of 65 farms in that province. I have another list of a similar number of

farms in New Brunswick, farms running from as low as $150 up to $800 and upwards. Here is a 50 acre farm, 25 acres cleared, price $1,000. Here is a 232 acre farm, 150 acres cleared, house barn and good water, price $4,000. Here is a 50 acre farm, 25 acres cleared, good buildings, price $400. Here is another 50 acre farm, also 25 acres cleared, with good buildings, price only $700. Those farms are in Prince Edward Island. The New Brunswick list contains farms, with buildings and running water, priced from as low as $800. There are numberless opportunities to place the proper kind of settlers in the Dominion; they need not all be sent to the west. The places which need to be filled up are those older provinces of Ontario and especially the Maritimes. But the trouble with this government is that in immigration matters they are a ten cent government dealing with a hundred dollar matter; those are about the correct dimensions. The immigration question is the big question of to-day, and therefore it never can be successfully handled by the aggregation across the way. They have never handled anything of any size; they cannot do so, because they have not a capacity for anything big, and never will have. Anything done in immigration matters since this government came into power has been done by the Canadian Pacific Railway, the Canadian National Railways, the different provinces and certain organizations such as the Salvation Army. Meanwhile our farmers are asking for farm help; no assistance is coming from this government because, as I said before, they are absolutely inadequate, inefficient and do not know how to deal with big questions.

It has been repeatedly stated that the Conservative party stands for a high protective wall, a brick for a brick. That is not true, Mr. Speaker, and never was true. I have shown that in the eighteen years from 1878 to 1896 we had a protective policy; that in the fifteen years of the Laurier government that protective policy was maintained; that the tariff on dutiable goods under the Laurier government was 5 per cent higher than the tariff on dutiable goods when the Conservative party went out of power in 1921. That apparently will not stop these hon. gentlemen from repeating what has already been said so often. Up until 1923, when the Right Hon. W. S. Fielding brought down his last budget, all the parties in Canada had fairly consistently followed the traditional National Policy laid down by the Conservative party in 1878. That policy was departed from when the King government lost the services of the only two of its members who had any standing in the country, Right Hon. W. S. Fielding and Sir Lomer Gouin. It then ceased to be a government, and there has been nothing since which could be dignified with the name of government. It has been getting worse and worse all the time. When we had those two big men in the government they could hold such wreckers as the hon. member for Lisgar (Mr. Brown) in check, as well as those from Saskatchewan occupying the kindergarten seats. When these big men went out and the mantle fell on the pigmy shoulders of the present Minister of Finance and his colleagues, there was no one left to stem the tide. Since 1923 this has been a government of compromise, pussyfooting, log-rolling and bartering for power; nothing else. They have thrown their promises and pledges to the winds; they have violated the pledge given during the last election campaign, which was reiterated time and again. Where in this Dominion, from the Atlantic to the Pacific, will you find a man with money to invest who will show any confidence in this government? Who can have any confidence in a government which has violated its pledges, as this government has done? They have not only injured the automobile industry by their reductions regardless of their promises, but they have done worse; they have absolutely deprived the people of this country of that which is absolutely necessary, if you are to have industrial development—confidence in the government which controls affairs. They have destroyed that confidence, and by that action have struck a severe blow at the development of this Dominion.

I regret, Mr. Speaker, having taken so much time.

Some hon. MEMBERS: Hear, hear.

Mr. EDWARDS (Frontenac): My hon. friends should not say "hear, hear", because if they were at all generous they must have recognized the fact that a large part of my time was taken up in what I believe was a fruitless effort in trying to force some common sense into heads which, so far as we have been able to judge, have shown no sign of possessing that desirable quality. I have not much hope that what I have said, and the instructions I have given, will have any effect, because you have to plant seed in fertile ground if it is to produce anything, and there is no fertility over yonder; there are no brains to furnish the necessary soil to produce results. I can only leave the matter with them, hoping against hope that Providence, which has done so much for the Liberal

party, will still exercise its beneficent influence and furnish some of the gentlemen of the kindergarten school with what they so much need, a little common sense and ordinary brain power.

Mr. F. W. PERRAS (Wright): Mr. Speaker, it is with some hesitation that I rise to address this honourable House. If I do so it is because of a sense of duty which I feel towards this country, and in an especial manner to the county of Wright, which I have the honour to represent in the federal parliament.

So many able speakers have preceded me, representing the three—indeed I may say the four—parties of Canada in this House, that I felt my views might be construed by many as "a voice in the wilderness". I have not the gift of oratory; I am a simple business man, somewhat lacking in flights of eloquence, but content to possess at least the virtue of sincerity.

This is my maiden speech, Mr. Speaker, and I am sure some of the hoary statesmen who are listening to this my first utterance on the floor of this House, remembering their first efforts, will listen to my few remarks with sympathy and attention.

The budget as introduced by my hon. friend the Minister of Finance (Mr. Robb) will not only receive my wholehearted support but commands as well my admiration for its eminently fair and just policy towards the different economic industries of our country. I do not claim it is perfect, but I do maintain that it is the best policy under existing circumstances in Canada. When we consider the terrible burdens, financial and otherwise, we have had to shoulder since the world war, I consider it a marvellous tribute indeed to the present government, that in spite of reduced taxation, they have succeeded in reducing the national debt by so many millions of dollars. Penny postage, which originated under a Liberal government, has been re-established by a Liberal government. The income tax has been materially reduced, and taxation in other matters has also been reduced. The consequence is that the farmer, the labourer and the man of modest means sees daylight and comparative prosperity ahead, while a few, and only a very few, moneyed interests are finding fault with a government that is honestly and intelligently doing its utmost to render justice and fair play to all, without favouritism to any particular class or privileged class. There are those who are criticizing the tax on the automobile industry, and declaring that it means the ruin of this important industry. A close analysis of the true facts of the case will not bear out their argument. The automobile industry is on a solid and thriving basis. Let us only take last year's turnover and sales as an example. I quote from the Montreal Star of April 22, 1926:

> The automobile industry attains record for 1925 output. One car to every 13 persons in Canada. Figures show record production was attained in the automobile industry in Canada in 1925, according to a statement just issued by the Dominion Bureau of Statistics at Ottawa. In that year, the eleven automobile factories in Canada produced 124,458 passenger cars, 22,144 trucks and 15,368 chassis, a total of 161,970 cars which was an increase of 22 per cent over 1924, and 10 per cent above the figures for 1923—the previous best year, when 147,202 cars and trucks were produced.

Does any intelligent member of this House imagine for one moment that the reduction in the tariff on motor cars is going to kill this industry? Far from it. As we say in French, my mother tongue, "c'est pour rire".

As regards the smuggling which it is said was going on, it is comforting and consoling to learn that there was an increase in the net sum collected in customs duties. There will always be a certain amount of smuggling in this country, as in all others, but our government is to be congratulated for the zeal and courage it is displaying in the prosecution of this investigation.

It has often been said of the Liberal party that it panders only to the agricultural interests, that it is at the beck and call of the farmer, especially those of the western provinces under the leadership of the hon. member for Brandon (Mr. Forke). If it were true—and I deny it—I would be glad to see our government favouring the agricultural classes of this country. In Canada they are to-day, and will be for many years to come, the predominant industry and the backbone, marrow and sinew of Canada. I have the honour of representing an essentially agricultural county, the county of Wright, in the province of Quebec. Our agriculturists are men and women of worth; they are the sturdy, healthy and progressive pioneers of our country—I use the term "progressive" advisedly. I will continue to support the present government in all its just measures for the welfare and advancement of the great Canadian west; and let no man forget that the prairie provinces were founded on toil, sacrifice and perseverance; and justice, if not humanity, calls for fair play to these worthy pioneers. As long, Mr. Speaker, as this government continues to protect the agricultural interests of this country, it will receive my wholehearted support. I must congratulate the hon. Minister of the Interior (Mr. Stewart) in his effort to promote forestry conservation.

It is a regrettable fact that $15,000,000 has been lost to us annually through criminal negligence and otherwise. I am glad to see that the right hon. the Prime Minister (Mr. King) has interested himself in this subject. Outside of the prairie provinces, they have no direct legislation, but they have the force of advice, co-operation and co-ordination.

I am also in accord with the present administration in its old age pension policy. I would go even further and support a measure that would reduce the age at which the pension should begin from 70 to 65.

Before I conclude, Mr. Speaker, let me ask you and this honourable House: Is there to-day a more prosperous nation than Canada? Let us not be pessimistic but optimistic as regards the future of our country and Canada's wonderful natural resources. What Canada requires to-day is the spirit of optimism, not pessimism.

I am sorry that I have taken so much of your time, Mr. Speaker, and I thank the House for its generous attention.

On motion of Mr. Smith the debate was adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. Lapointe moved the adjournment of the House.

Mr. MEIGHEN: I hope the leader of the House will not be offended if I ask for confirmation or denial of the late reports that certain changes in the budget are to be announced shortly.

Mr. LAPOINTE: My right hon. friend has received information that I have not got. I do not know of any changes; I do not think there will be any.

Motion agreed to and the House adjourned at 11.40 p.m.

Wednesday, April 28, 1926.

The House met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

HOUSE OF COMMONS CLEANING STAFF—WAGES

Mr. GARLAND (Carleton):

1. Has a reduction been made in the wage paid to the cleaning staff of the House of Commons since the end of the fiscal year?
2. If so, what amount, and why?

[Mr. Perras.]

Mr. SPEAKER:

1. The wages of the temporary servants of the House of Commons have varied between $3 and $3.65 per day for men doing exactly the same work and working the same number of hours. This caused discontent. As the bonus was discontinued last year, it was decided that in order to equalize the pay it would be fair and just to all concerned to fix a uniform rate of pay at $3.50 per day. This has been done accordingly.
2. Answered by No. 1.

LOBSTER FISHING SEASON

On the Orders of the Day:

Mr. A. J. DOUCET (Kent, N.B.): Mr. Speaker, may I ask a question of the hon. Minister of Marine and Fisheries (Mr. Cardin) based upon two telegrams received by me this morning? I shall read only one of these as the substance of the other is contained in it.

Have been requested by fishermen Sapin to Richibucto cape to ask you if you could not bring before parliament very serious charge against A. and R. Loggie, W. S. Loggie of Escuminac. Last week fishery overseer and Barry of Newcastle notified all packers lobster season would not open before third May and not to set any lines before that date. Understand request for this change made by parties names above on account conditions along shore. Yesterday great number fishermen were ready to set lines. The shore was free of ice. They again phoned fishery overseer asking permission set lines which was refused and threat made heavy fine imposed for each boat who would go out and set lines and traps. Nothing could be done before fourth May. Yesterday afternoon the Loggies allowed their men to go out, take the best ground, set their lines. Fishery overseers were notified. Barry chief overseer also notified by phone by packers and myself and again notified this afternoon. No action has been taken. The Department Marine Fisheries has been notified the Loggies instead of taking their lines back ashore are now hauling traps outside. Fishermen do not understand why Loggies have not been asked by this time to go out and take their lines back ashore. We kindly request you to protest and force the department to oblige packers named above take all lines back ashore so all interested in the districts between Burnt Church and Chockpish will have equal rights. Fishermen anxiously awaiting your answer. Please advise me. Am keeping in touch by phone with all of them.

E. PATUREL.

My question is: Has the department directed the parties mentioned to take their lines and traps ashore? If not, does the department intend taking such action?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Mr. Speaker, I have no direct information in regard to what is contained in the telegram just read by my hon. friend, but I am quite ready to make any inquiry in regard to the situation and to take proper means to deal with it. In regard to the

change of date, I may say that it was not made upon the recommendation of the gentlemen mentioned in the telegram.

Mr. HANSON: On whose recommendation?

Mr. ROBERT K. SMITH (Cumberland): I would like to ask the Minister of Marine and Fisheries (Mr. Cardin) a question in connection with the change in the lobster fishing season on the Northumberland straits. This particular zone borders on the constituency of Cumberland, and I have a telegram here from a reliable fisherman of that district which states the question clearly. With the permission of the House I will read the telegram:

Lobster season changed from April 26 to May 4; unsatisfactory to majority fishermen and packers. Please ascertain on what grounds and representations this change was made. Cumberland county inspector or packers not consulted.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The change has been agreed upon as a result of numerous representations to the effect that on account of ice conditions it was impracticable to start the fishing season on the 26th, which is the normal date for the opening of that season in this particular district. Representations have been made to the department and to myself personally by members of this House, as well as by telegrams and letters from interested parties. All the representations were based upon the ice conditions in this part of the country, but in the meantime we have received word that the ice is gone and that conditions now permit the opening of the season. Accordingly we issued orders this morning that the opening of the season should not be delayed any longer, and that fishing can be commenced this morning.

OTTAWA—ENLARGEMENT OF CONNAUGHT PLACE

On the Orders of the Day:

Hon. R. J. MANION (Fort William): Mr. Speaker, in view of the announcement in the press yesterday regarding expropriation proceedings by the government to acquire a couple of blocks of land in the centre of the city of Ottawa, may I ask the Minister of Public Works (Mr. King) if he has any statement to give to the House as to the cost involved and the purposes to which this land is to be put? It is a very important matter and I think hon. members would be interested to have these particulars.

Hon. J. H. KING (Minister of Public Works): It is the intention of the government to expropriate a portion of the property lying between Wellington, Elgin and Sparks streets. In that triangle the government already own from one-third to one-half of the property, back of the post office, and it is now proposed to take over the balance. The cost, of course, will be settled by the expropriation proceedings. The assessed value of the property is about $450,000; the price the government will pay is unknown as yet. It is hoped that eventually these buildings will be removed and that area made part of a public square.

Mr. MANION: Is it the intention of the government to put up other buildings in the place of those now standing?

Mr. KING (Kootenay): No, it is intended to leave an open space there.

INCORPORATION OF OIL COMPANIES

On the Orders of the Day:

Mr. A. U. G. BURY (East Edmonton): May I ask the Secretary of State whether he is now able to give a further reply to my question of Friday last regarding the oil companies of the province of Alberta, the charters of which have been withheld, and as to whether the oil companies to which he promised charters have as yet received them?

Hon. ERNEST LAPOINTE (Secretary of State): Referring to the second question I have given instructions that these charters should be sent to the parties applying for them, and I have no doubt they have been forwarded. In reference to the next part of this question, I have prepared a statement which I desire to read:

Until quite recently applications for the incorporation of local mining and oil companies have not been made under the Dominion Companies Act. It is the practice of the Department of the Secretary of State not to incorporate companies having local activities only. Such companies are within the jurisdiction of the provinces. The Dominion, however, incorporates companies where it is stated in the applications that the operations will be carried on in more than one province.

The recent oil development in the province of Alberta has been the occasion of a large number of applications for the incorporation of oil companies. In each case it has been alleged by the applicants that they propose carrying on business in more than one province. It is impossible to investigate the genuineness of intentions, and the department has been forced to accept these statements.

It is suggested, however, that the reason for these applications being made to the Department of the Secretary of State, is the decision of the Supreme court in the case of Lukey versus The Ruthenian Farmers' Elevator Company, in which it was held that Dominion companies are not subject to the Sale of Shares Acts of the provinces of Alberta and Saskatchewan. If this allegation is well founded, the immediate inference is that many of these companies are what is generally known as "wild cats", brought

into existence for the purpose of selling shares rather than boring for oil. The fact that Dominion oil company charters are advertised in the Calgary press, indicates a very unsatisfactory condition.

The western provinces are agitating for an amendment to the Dominion Companies Act under which Dominion companies would be made subject to the Sale of Shares Acts of these provinces. This is a difficult question and it raises many others which should be discussed when the necessary amendment of the Companies Act is under consideration. For that reason such an amendment could not be submitted to parliament at the present session and could not likely be dealt with until the next session of parliament. By then the deluge of oil company flotations may be over, and in the meantime it is necessary to take some action to protect the investing public.

It is a widely-held belief that the voluntary provision of the Companies Act, under which shares without nominal or par value are issued, are more effective in protecting the public than "blue sky" legislation. This was one of the principal arguments put forward when these provisions were adopted. It has been decided, therefore, that in applications for the incorporation of oil and mining companies, which are suspected to be purely local concerns, the charter shall limit the issue of shares to shares without nominal or par value.

Mr. BURY: May I ask the Secretary of State if that regulation is to be made retroactive?

Mr. LAPOINTE: It will not be retroactive concerning those companies mentioned by my hon. friend, to whom assurances have been given that charters will be issued, but for other companies it will be retroactive.

ALLEGED FRAUDULENT COMPANIES

On the Orders of the Day:

Hon. ERNEST LAPOINTE (Secretary of State): The hon. member for West York (Sir Henry Drayton) on March 26 called the attention of the government to certain comments appearing in the English press with regard to two companies, the British Associated Oil Company, Limited, of Canada and the Westminster Finance Company, Limited, of Canada. These comments suggested that these companies were fraudulent in character, exploiting the public, and so forth, and my hon. friend asked the government to see whether incorporations had been granted by this House or by any department of the government, and what the remedy might be. I have directed that an investigation be made, and I am informed that these two companies, the British Associated Oil Company, Limited, and the Westminster Finance Company, Limited, were both incorporated by the province of Ontario on November 26, 1925. They are therefore provincial companies, not under the control of this government or this parliament.

[Mr. Lapointe.]

NATURAL GAS AND PETROLEUM LEASES

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Would the Minister of the Interior (Mr. Stewart, Edmonton) say whether his department have substantially altered the regulations with respect to oil exploitation, or whether it is proposed so to do. The alteration which I have in mind as possibly under review is one looking to the restriction of individual exploitation of oil, and what is believed to be the more economical development under large territorial rights.

Hon. CHARLES STEWART (Minister of the Interior): I did not follow my hon. friend's question. Is it the areas of leases that are in question?

Mr. MEIGHEN: I am informed that attempts have been made to secure the rights of the larger operating companies, to the exclusion from certain territories of the individual oil company or oil borer. Have the regulations been so changed as to make it more difficult for the individual oil borer to secure his lease?

Mr. STEWART (Edmonton): Not that I am aware of; however, I will make inquiries and see if any changes have been made. Applications are coming in for the subdivision of existing leases, and I know that is being done, so I do not think there would be any attempt made to set aside large areas.

NOVA SCOTIA SENATE VACANCY

On the Orders of the Day:

Mr. F. P. QUINN (Halifax): May I ask the leader of the House if it is the intention of the government in the near future to fill the vacancy in the Senate caused by the death of Senator Roche, and thereby relieve very much the aspirations of the five or six gentlemen who have been in the capital during this week.

Hon. ERNEST LAPOINTE: I am pleased to inform my hon. friend that the vacancy will be filled in due course.

PRIVY COUNCIL DECISION

RIGHT OF APPEAL IN CRIMINAL CASES

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, on March the 16th I asked the government whether any action was being taken in regard to the recent decision of the Privy Council in the Alberta appeal

case. I should like to ask again whether the Minister of Justice has read that decision, and whether he is prepared now to make a statement as to the action of the government.

Hon. ERNEST LAPOINTE (Minister of Justice): I have read the decision, but no action has been taken, and I am not prepared to tell my hon. friend what decision will be reached.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, April 27, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Mr. ROBERT K. SMITH (Cumberland): Mr. Speaker, with the permission and indulgence of the House, I intend to make some observations on the budget in its particular application to some of the many interests in the eastern portion of the Dominion of Canada and the Maritime provinces. The House has been treated, if I may be permitted to use the phrase in that sense, to many matters of concern directly affecting us in the east, and what I shall have to say will not be in any sense a survey of our Maritime situation or a review of the seriousness of the difficulties under which we are labouring, which have already been quite fully stated, or of the grave burdens which we are forced to bear under ordinary circumstances without relation to the customs tariff.

It will be recognized at once that many of our troubles and difficulties have a close bearing on the tariff—coal, steel, agriculture, and our industries, for instance—while other problems apparently difficult of solution, such as transportation, have no bearing on the tariff. It is with the former—coal, steel, agriculture and industrial pursuits, or certain phases of them—that I desire to place some facts before this hon. House, and it will be observed that the remarks I have to offer apply not alone to the Maritime provinces, but to other portions of Canada, in fact, to the whole Dominion.

My first word, Mr. Speaker, on the budget as brought down by the Minister of Finance (Mr. Robb) is that it is a notable one, notable I believe mainly for its omissions and its startling disregard for some of the main interests of this country, most particularly the labouring class. It is my purpose to place before the House some of the very striking omissions affecting materially, in my opinion, the portion of Canada from which I come, and having a general effect throughout the country through lack of recognition in a protective manner.

We from Nova Scotia have stressed the urgent need and long overdue protection essential to our two main industries, coal and steel. This government in its frantic desire to cater entirely to the western portion of Canada has entirely overlooked our legitimate and reasonable request for protection on these two main key industries. This request has been treated with somewhat of a silent and unwarranted contempt. I presume that some members may think that our mouths from the Maritime provinces should be closed because a royal commission has been appointed to investigate Maritime conditions. Whatever may be thought in this connection, I wish to make perfectly clear to the House that I do not intend to surrender my constitutional privilege, yes, my bounden duty to represent as best I can my riding by placing before parliament the views of the people who sent me here, royal commission or no royal commission. I trust that the royal commission appointed will serve some good purpose in the province of Nova Scotia after they have reviewed our distressing situation, but whether they do so or not, it is not my intention to forfeit what I consider to be my plain duty to the riding which sent me here, and that is to place the situation and circumstances affecting us as I see them before the House, and to offer whatever suggestions I can in my humble way to remedy the present conditions.

Much has been said, Mr. Speaker, on both sides of the House for and against this budget, appertaining to the changes, forecasts and their effects. It will be my humble task to deal as best I can with matters entirely overlooked by the Minister of Finance, some of which, and one in particular, have been brought very pertinently before this House during this session, but have been entirely disregarded by this government of lower tariffs and many diversified elements. I refer particularly to the question of coal.

First let me repeat what I stated in this connection in the House some weeks ago, that the frantic demand for increased duty on coal was brought to a head in Nova Scotia in December, 1924, when Liberals, Conservatives, and all others united and sent a delegation to Ottawa demanding more duty on coal and steel. That delegation was headed by the Hon. E. H. Armstrong, who was at that time

Liberal premier of the province of Nova Scotia, and with the permission of the House I should like to quote some of the appeals made by the delegation through their spokesman, ex-Premier Armstrong, to the government on that occasion. These appeals are tersely stated, being extracts from the memorandum which was presented to the government by the delegation on that occasion. I quote:

"The allied coal and steel industries of Nova Scotia have been for some years in a depressed condition."

"The prospect for the future is that there may be even more serious depression and resultant poverty."

"The Province of Nova Scotia is largely dependent upon these industries which are the main, and in some instances, the sole support of the population in important centres."

"This will be easily understood when it is considered that from 20,000 to 25,000 men are employed in the mining of coal and its associated industries."

"And that directly dependent on these there are not less than 100,000 to 125,000 people, or more than one-fifth of the population of the Province."

The delegation asked the King government for adequate tariff protection to prevent foreign coal and steel products from flooding Canada's markets: to stabilize and promote the coal and steel industries in Nova Scotia; and give the workingmen engaged in them steady and remunerative employment.

That delegation was splendidly received by the government. Their appeals were taken into consideration by the Prime Minister and his government, and the result was that when the budget was brought down in 1925 it contained an increase in the duty on slack coal from 14 cents to 50 cents a ton, and a decrease in the duties on screened and run-of-mine coal from 53 cents to 50 cents a ton. This change did not produce the favourable results that were desired in connection with the coal industry of the province of Nova Scotia. Now, I call attention to the fact that in this House a few days ago, speaking about the increases last year in the duty on slack coal, the Prime Minister stated that this was a case where relief was necessary and where the exception proved the rule; that it was a good thing to give our slack coal more protection, and he urged his Progressive friends to support the exception. If it was necessary to make an exception then I ask why not make an exception now? The conditions are worse now than they were then. Therefore, why not follow the exception to its logical conclusion, and give the industry the protection it requires? The Prime Minister realized the necessity and admitted the urgency of more protection on slack coal. He is quoted as having said that no legitimate industry in Canada would suffer from the fiscal policy of his government. This industry is suffering, has been suffering, and will continue to suffer until it is relieved by

adequate protection. It is suffering under the fiscal policy of the present government, and we would like to take the Prime Minister at his word in this matter. I might refer to the fact that some of his candidates in Nova Scotia in the campaign of 1925 advocated higher duty on coal and steel.

For the information of the House I will review the duties on coal in Canada from 1867 to date. From December 21, 1867, to May 12, 1870, coal and coke were free. From May 12, 1870 to April 1, 1871, there was a duty of 50 cents per ton on coal and coke. From April 1, 1871 to March 15, 1879, coal and coke were free again. From March 15, 1879, to May 7, 1880, there was a duty of 50 cents per ton on coal and coke. From May 7, 1880, to April 20, 1883 there was a duty of 50 cents per ton on anthracite coal, a duty of 60 cents per ton on bituminous coal, and a duty of 50 cents per ton on coke. From April 20, 1883, to May 13, 1887, there was a duty of 50 cents per ton on anthracite coal, a duty of 60 cents per ton on bituminous coal, a duty of 20 per cent on bituminous coal dust, and a duty of 50 cents per ton on coke. From May 13, 1887, to March 28, 1890, anthracite was free. There was a duty of 60 cents per ton on bituminous coal, a duty of 20 per cent on bituminous coal dust, and a duty of 50 cents per ton on coke. From March 28, 1890, to March 27, 1891, anthracite coal and anthracite coal dust were free. There was a duty of 60 cents per ton on bituminous coal, a duty of 20 per cent on bituminous coal dust, gas coke for Canadian manufacturers was free, and there was a duty of 50 cents per ton on coke. From March 27, 1891, to April 23, 1897, there was no duty on anthracite coal or anthracite coal dust. On bituminous coal there was a duty of 60 cents per ton, a duty of 20 per cent on bituminous coal dust, and coke was on the free list. From April 23, 1897, to November 30, 1906, anthracite coal and anthracite coal dust were on the free list. On bituminous slack coal such as would pass through a half-inch screen, there was a duty of 20 per cent. On bituminous coal —round and run-of-mine—there was a duty of 53 cents per ton, and coke was on the free list. From November 30, 1906, to March 25, 1925, there was no duty on anthracite coal or anthracite coal dust. On bituminous slack coal there was a duty of 14 cents per ton. On bituminous coal—round and run-of-mine—there was a duty of 53 cents per ton. From March 25, 1925 to date, anthracite coal and anthracite coal dust are on the free list. There is a duty of 50 cents per ton on bituminous coal and coal not otherwise provided for. Coke is placed on the free list.

It will be noted that in the placing of the duties, from April, 1867, down to date, there has not been a very great spread in the amount of duty on the product of coal; the duty has ranged around 50 cents per ton ever since it was first placed. It will be recognized at once, I think, by every reasonable person that if 50 cents per ton was adequate protection back in the seventies it is surely not adequate protection to-day. The increased cost in the price of coal is so apparent and so evident, and is felt to such an extent by every manufacturer and householder in this Dominion, as to obviate any necessity of labouring that particular argument. As a matter of fact we have not one-half the protection on coal to-day that we had back in the seventies on account of the increase in the price of the product; and in Nova Scotia we are urging that this particular point be taken into consideration by the government and that it be regulated in accordance with the price of coal to-day.

It has been stated that in order to have more of our own coal used, a campaign of education should be carried on in this country. This may be so, but if there is to be a campaign of education there must also be one of example. The largest publicly owned corporation in Canada that I know of is the Canadian National Railway. I should like to ask the House what example it sets with regard to the use of Canadian coal on the National system of railways. The figures I will quote, and they are figures contained in answer to questions put to the government in this House during the present session by the hon. member for Inverness (Mr. Macdougall), tell the tale. Last year the Canadian National Railways purchased coal to the following extent:

	Tons
Coal mined in the mines of Nova Scotia..	718,826
Coal mined in the United States..	2,971,706
Coal mined in Cape Breton..	21,430
Coal mined in western Canada..	1,146,667

It will be observed on examining these figures that approximately three million tons of the five million tons of coal used by the Canadian National Railways in the year 1925 came from the United States. More coal by nearly one million tons was purchased by the Canadian National Railways for use on the National system from the United States than was actually purchased from mines in this Dominion.

May I give some idea of the importations of coal into Canada, covering the last ten years from 1916 to 1926? This will tell the story of the enormous sums of good Canadian money forwarded to the United States for coal when our own coal mines were idle, our miners out of work, their families in dire want, and general commercial stagnation existed in the coal provinces, as a result of want of adequate protection for this basic and highly important industry. I find that in 1925 the total importations of coal into Canada amounted to 15,671,635 tons. I have the figures, Mr. Speaker, for the last ten years covering the importations of coal from the United Kingdom, from the United States, and from all other countries, and with the permission of the House I would like very much to have these figures placed on Hansard. The statement is as follows:

Imports of Coal and Coke into Canada, 1916 to 1926.

—	Total Imports into Canada		Imports into Canada from—											
			United Kingdom		United States		Alaska		Australia		China		Japan	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Total Coal—	ton	$	ton	$	ton	$	ton	$	ton	$	ton	$	ton	$
Years ended March 31:														
1916	14,060,244	30,679,777	5,564	22,806	14,054,672	30,656,938	.....	.....	3	15	5	18	.....	.....
1917	17,503,515	42,076,426	2,744	14,592	17,500,771	42,061,834	.....	.....	.....	.....	.....	.....	.....	.....
1918	21,656,294	74,324,941	12,085	39,265	21,644,209	74,285,676	.....	.....	.....	.....	.....	.....	.....	.....
1919	21,321,813	70,603,005	627	2,514	21,321,186	70,600,491	.....	.....	.....	.....	.....	.....	.....	.....
1920	16,643,677	60,072,629	344	2,578	16,643,333	60,070,051	.....	.....	.....	.....	.....	.....	.....	.....
1921	20,274,555	111,298,100	1,481	8,492	20,245,347	111,283,188	1	27	.....	.....	726	6,393	.....	.....
1922	17,168,314	78,258,725	5,193	31,975	17,162,897	78,224,950	.....	.....	.....	.....	224	1,800	.....	.....
1923 (a)	14,329,050	72,184,477	898,164	5,730,825	13,428,756	66,435,556	.....	.....	504	2,464	1,225	13,112	185	989
1924	20,495,360	88,432,856	475,719	3,198,271	20,019,637	85,234,500	4	85	.....	.....	.....	.....	.....	.....
1925	15,671,635	62,710,473	312,478	2,752,149	15,356,807	59,945,986	27	414	.....	.....	643	3,674	1,680	8,250
11 months ended Feb. 28:														
1925	14,399,809	58,017,246	306,633	2,692,334	14,090,826	55,312,574	27	414	.....	.....	643	3,674	1,680	8,250
1926 (b)	14,846,991	50,073,041	661,797	5,920,553	14.179,004	44,084,391	.....	.....	.....	.....	.....	.....	479	2,034
Coke, ground, when imported by manufacturers of electric batteries—														
Years ended March 31:														
1916	376	8,095	.....	.....	376	8,095	.....	.....	.....	.....	.....	.....	.....	.....
1917	443	9,998	.....	.....	443	9,998	.....	.....	.....	.....	.....	.....	.....	.....
1918	592	14,232	.....	.....	592	14,232	.....	.....	.....	.....	.....	.....	.....	.....
1919	726	25,076	.....	.....	726	25,076	.....	.....	.....	.....	.....	.....	.....	.....
1920	624	32,118	.....	.....	624	32,118	.....	.....	.....	.....	.....	.....	.....	.....
1921	443	23,839	.....	.....	443	23,839	.....	.....	.....	.....	.....	.....	.....	.....
1922	480	26,836	.....	.....	480	26,836	.....	.....	.....	.....	.....	.....	.....	.....
1923	740	35,364	.....	.....	740	35,364	.....	.....	.....	.....	.....	.....	.....	.....
1924	521	29,482	.....	.....	521	29,482	.....	.....	.....	.....	.....	.....	.....	.....
1925	657	40,747	.....	.....	657	40,747	.....	.....	.....	.....	.....	.....	.....	.....
11 months ended Feb. 28:														
1925	546	33,176	.....	.....	546	33,176	.....	.....	.....	.....	.....	.....	.....	.....
1926	733	49,101	.....	.....	733	49,101	.....	.....	.....	.....	.....	.....	.....	.....
Coke—														
Years ended March 31:														
1916	693,607	1,750,711	563	4,883	693,044	1,745,828	.....	.....	.....	.....	.....	.....	.....	.....
1917	756,602	2,686,881	850	8,875	755,702	2,677,849	.....	.....	.....	.....	.....	.....	.....	.....
1918	969,932	7,154,014	.....	.....	969,932	7,154,014	.....	.....	.....	.....	.....	.....	.....	.....
1919	1,075,491	8,160,916	.....	.....	1,075,491	8,160,916	.....	.....	.....	.....	.....	.....	.....	.....
1920	381,606	2,476,450	.....	.....	381,606	2,476,450	.....	.....	.....	.....	.....	.....	.....	.....
1921	548,582	6,247,931	.....	.....	548,582	6,247,931	.....	.....	.....	.....	.....	.....	.....	.....
1922	232,174	1,673,171	.....	.....	232,174	1,673,171	.....	.....	.....	.....	.....	.....	.....	.....
1923	443,883	4,290,974	2,907	23,371	440,976	4,267,603	.....	.....	.....	.....	.....	.....	.....	.....
1924	691,641	4,983,587	820	9,661	690,821	4,973,926	.....	.....	.....	.....	.....	.....	.....	.....
1925	578,843	3,506,717	1,701	11,913	577,142	3,494,804	.....	.....	.....	.....	.....	.....	.....	.....
11 months ended Feb. 28:														
1925	511,809	3,078,673	1,701	11,913	510,108	3,066,760	.....	.....	.....	.....	.....	.....	.....	.....
1926	836,761	5,687,963	11,200	83,186	825,561	5,604,777	.....	.....	.....	.....	.....	.....	.....	.....

(a) In 1923, from Newfoundland also, 76 tons, $781; from Philippines, 140 tons, $750. (b) In 1926, from Germany also, 5,711 tons, $66,063.

The importations of coal into Canada for the past ten years show an average of over 15,000,000 tons per annum. This is most significant, in view of the fact that there has been stagnation of a very startling character in the coal mining districts in the Dominion of Canada. As I stated, our coal miners are not able to procure work. They are not able properly to feed and clothe their families, but at the same time we are importing from a foreign country over 15,000,000 tons of coal annually. Think of an industry in Canada being exploited, our miners thrown out of employment and our coal provinces commercially stagnated, not to mention the Canadian money, over a hundred million dollars, being spent for the purchase of American coal, providing employment for American miners to the detriment of our own miners, and incidentally increasing the wealth of the United States, at the same time reducing our own wealth in Canada, and allowing our Canadian market for coal to be robbed by American operators. If we follow this suicidal policy in other things, I think it will be found before long that, as a business country, we will have to pull down the blinds, nail up the shutters, lock the door and disappear. Our coal resources in Canada are of a very substantial character. Our consumption of coal in Canada annually is nearly 29,000,000 tons. Our own Canadian coal supplies only 12,000,000 of that market, approximately 17,000,000 tons being supplied by foreign countries, and still we have no relief from this government in this connection. Let me quote the importations in 1925 into this country. They are as follows:

Anthracite	Bituminous	Lignite
3,249,497	12,957,738	18,368

Importations from the United Kingdom included 606,832 tons of which 57,585 was bituminous. The total importations for last year amounted to 16,832,435.

Now, Mr. Speaker, I do not feel that it is necessary to deal with those figures which are accurate, being government figures, and which speak very loudly in regard to the great disadvantage the coal miners all over the Dominion of Canada are labouring under on account of being robbed of the Canadian market which is going to a foreign country and, as I said before, being exploited by foreign mine operators. There is invested in Canadian coal mines the colossal sum of $146,000,000. The value of the output of coal in Canada in the past has reached a total of over $82,000,000. In 1925 the selling value of coal was $49,092,649, being below that of 1924 by over $3,000,000.

Let me examine for a minute the policy of the leader of the government in Canada in connection with the coal mining industry. I am quoting from a Canadian press report of an address of the Right Hon. Mr. Mackenzie King, Prime Minister of Canada, delivered at Orillia, Ontario, October 15, 1925, and I find the following:

> As at Parry Sound, Mr. King attacked Mr. Meighen's proposal to put a tariff on foreign coal, and to give assistance out of federal taxes to transportation rates from Maritimes and the west to the central provinces. "I do not think," said Mr. King, "that the people fully realize what this proposal means. At a moment when the nation is striving to throw off the burden of taxation Mr. Meighen is proposing to add to the burden of taxation. I have seen some winters in Canada when we have almost had to go down on our knees for the coal needed in the homes and factories of this country."

I think that the policy as outlined by the Prime Minister at Orillia last October is a policy, if followed, so far as we are concerned in the eastern portions of the Dominion of Canada, will ruin our coal and steel industries completely and entirely, and the importance of this industry in our province I think may be gauged from the fact that one-fifth of the entire population is wholly dependent on it.

Then, Mr. Speaker, in this connection I wish to deal with the source of supply to-day from the American coal mines. I think this applies particularly to the anthracite coal mines in the United States of America. The supply is not inexhaustible. It is estimated, and I think it was mentioned by the hon. member for Inverness (Mr. Macdougall) in this House not long ago, that twenty-five years at the outside will exhaust the supply of anthracite coal from the United States. So that we in Canada, whether we desire it or not, will be driven to the use of our own coal after that period and perhaps before. If we must in the end be driven to the use of our own Canadian coal, why not adopt that policy now? Why not build up our own Canadian market for our own Canadian miners, and then when the time comes we will be ready for any exigency on account of the exhaustion of the supply in other countries?

I think it might very reasonably be expected that if double the present supply of the Canadian coal were granted to the Canadian miners in the future, if they could secure double the market in Canada that they have to-day, there would be a material decrease in the price of coal. I am positively sure that if there was a market for Nova Scotia coal double the market of to-day, it could be reasonably expected that there would be a substantial decrease in the cost

of coal to the consumer. It seems to me that if it could be guaranteed to our Canadian mine operators that we would receive approximately 20,000,000 tons of the 29,000,000 tons consumed, we might have every reason to hope for a reduction in the price, and if we were to place, as we must place in order to protect this industry, a duty of $1 a ton on coal, it would not mean that the consumer would have to pay more for his coal, because the increased production and the volume would more than offset any other disadvantages in this connection. I think it is reasonable to argue, Mr. Speaker, that this industry would prove to be one of very great importance to Canada, much more so than it is to-day, and the Canadian consumer would also be almost guaranteed a reduction in the price of coal

I desire to quote from the report of the Royal Coal Commission investigating this matter in Nova Scotia last year. The reason I do so is that in the addendum to the main report, which was presented by Major Hume Cronyn, the coal situation is dealt with in very terse language. In the addendum Major Hume Cronyn says:

As a native and resident of the one, and a life-long admirer of the other, I take the liberty of making this appeal on behalf not only of Nova Scotia, but indeed of the well-being of the Dominion as a whole.

It will appeal from our report that one, perhaps the greatest, cause of distress and discontent is due to irregularity of employment in the mines. At the moment this statement is being penned there have been further outbreaks of violence in Cape Breton due to lack of employment with the destitution and ill-feeling consequent thereon.

The reasons for unemployment have already been explained, but to my mind that one which overshadows all others is the inability of Nova Scotia coals to compete in the St. Lawrence markets with those imported from the United States. This condition is due to the fact that in certain of the American coal fields, notably those of West Virginia, coal can be produced at a much lower cost than is possible in eastern Canada. Some of the factors explanatory of this lower cost may be briefly set out:

(1)—The ease with which coal can be mined and conveyed to the pit mouth.

(2)—The absence of gas and the benefit accruing from natural drainage.

(3)—The many economies possible, due to the fact that submarine mining in unknown, whereas more than half the output in Nova Scotia is mined several miles under the sea.

The marked difference in mining costs due to the above causes enables American coals to be transported, largely by water, from the field named and, after payment of the present Canadian import duty of 50 cents per ton, to be sold in Montreal and other Canadian markets at prices below the actual cost of production and transportation of Nova Scotia coal.

Most of the remedies suggested and set out below were forcibly brought to the attention of the Dominion government in December, 1924, by a representative delegation headed by the then premier of Nova Scotia. It would be a lengthy and perhaps unprofitable task to examine in detail the merits of each; suffice it to say that in my opinion the two first named are those best fitted to bring relief to what is little less than a national calamity.

1st.—Federal assistance towards the establishment of coking ovens. This remedy has been fully discussed in section 36 of our report and need not be further elaborated.

2nd.—A substantial increase in the import duty on all bituminous coal and anthracite screenings; or, in the alternative, a federal bounty on coal shipped from the Maritimes to Montreal or beyond, and on coal shipped from Alberta or British Columbia to Winnipeg or eastward.

Further on Mr. Cronyn states:

The economist may logically ask why an industry which cannot survive competition should be allowed to exist and consumers in the provinces of Quebec and Ontario may denounce any increase in the tariff as that must inevitably raise the price of bituminous coal. As one whose academic training has been that of the Manchester school I must admit the cogency of both question and denunciation. But there are considerations involved in this problem which transcend cold-blooded political economy or even the losses which may fall on the more thickly settled portions of Canada.

May I attempt in the briefest fashion to outline these considerations.

More than one-fifth of the population of the province of Nova Scotia are directly dependent upon its coal industries and the subsidiaries thereof and over 12 per cent of the revenues of the province are derived from the royalties paid on coal mined. After spending weeks on the ground and discussing the question with many residents of the province in all walks of life I concur in the statement made by the deputation before mentioned that "It is not possible to exaggerate the calamitous consequences to Canada should coal mining in Nova Scotia be permitted to decline."

Let us consider but two of these consequences. We in Ontario are accustomed, if not hardened, to the accusation made in the prairie provinces that the east treats the west unfairly but the sense of grievances unredressed which prompts this charge is as nothing to the depth of feeling which exists in the Maritimes against the central provinces of Ontario and Quebec. That resentment is of old standing and one of its causes is the belief that the Atlantic provinces were more or less cajoled into confederation by promises and alluring prospects which have failed of fulfilment. It is indeed not going too far to say that the tie of sentiment which binds Nova Scotia to the Dominion has worn very thin.

If then we of the central provinces are unwilling to sacrifice something of our prosperity on the altar of common citizenship to aid, perhaps indeed to save, the main industry of Nova Scotia, we may witness an estrangement of far reaching consequences. For it is not exaggerating the situation to say that the inhabitants of the Maritime provinces are in a frame of mind that insists upon relief from the disadvantages under which they labour.

Then he goes on to state:

My appeal then to my friends (if I may so term them) of Quebec and Ontario and through them to the parliament of Canada is on the highest ground of national unity. Let us, overlooking the pecuniary sacrifices invoked, take the necessary measures to safeguard the welfare of our brothers by the sea.

The second calamitous consequence to central Canada which might follow a collapse of coal mining in Nova Scotia will become clear if we but exercise sufficient foresight to discover what will be the probable course of events in regard to the supply of American anthracite upon which to-day we almost wholly depend for

domestic heating. As our reports sets forth the lifetime of the mines from which we are supplied is limited and their exhaustion is already in sight. At the same time the demand for the American market has enormously increased. In the light of former actions, political and otherwise, and bearing in mind the warnings already given us, we need not be surprised if at some not far distant future an embargo be placed upon the export of anthracite. Should we not then be forehanded enough to protect ourselves against this day of reckoning by so encouraging the development of a native industry as to have available a plentiful supply of that unexcelled substitute, to wit: Canadian coke?

Lest objection be taken that from one cause or another Nova Scotia might be unable to supply the coal or coke necessary for our requirements it is suggested that the increase of the customs tariff or bounty grants should only remain in force so long as it is clear that the supply of the native product is ample for all purposes.

The reason I read that quotation at some length was because of what I consider the very sound commonsense displayed therein. We want only sufficient protection on our coal to protect the industry in order to protect the Canadian market for our Canadian coal miners. If a dollar a ton duty will serve that end, well and good; if seventy-five cents a ton duty will serve it, all right. We have no objection; we are not making a particular plea, stating any positive and specific amount of duty that should be imposed, but we ask that a sufficient duty be imposed to protect the industry and keep the Canadian market for Canadians.

4 p.m.

I should like to discuss for a few moments the question of steel. It will be and is recognized by all—and I think this has particular application to Nova Scotia—that the industries of coal and steel are inter-dependent and interlocked. It cannot be denied by any hon. member that the steel industry in the Dominion of Canada has been sufficiently protected to enable it to survive and compete with other industries along the same lines. I read a few minutes ago in connection with the coal industry an extract from the report of the committee that waited on the government in 1924 requesting additional duties on coal. In the same report I find there are extracts in connection with the steel industry in Canada. Let me read some of them:

> The steel industry of Nova Scotia is the only portion of the general steel industry of Canada which is in any real sense self-contained, or able to produce manufactured material of genuinely Canadian origin.
>
> It is the one industry of its kind in Canada the output of which is the result of the expenditure of practically its total cost in the form of wages paid to Canadian or other British workmen.
>
> The coal used is mined by Canadians, the ore by Canadians assisted by their neighbour Britishers in Newfoundland, while all the work of smelting and refining is done in Canada by Canadians, many of whom have given years to the acquisition of their art which is now a valuable asset that is in danger of being lost to their native country. In the other steel plants in Canada both coal and ore for making pig iron and refining it to steel are imported from the United States, and should that source of raw materials for any reason become unavailable, iron and steel manufacture and the fabrication of iron and steel into finished goods would necessarily cease.
>
> For this reason the steel industry of Nova Scotia deserves especial consideration. It is the only possible native source of the primary material of the iron and steel arts, and for national preservation, and to avoid complete dependence upon the outside for iron and steel supplies, requires to be kept in existence.

Now, Mr. Speaker, I am informed it is estimated that for the past seventeen years Canada has, in round figures, imported over 500,000 tons yearly of iron and steel in the form of pig iron, billets, plates, bars and rods, due wholly to inadequate protection, and in some instances to inequality of freight rates. Our steel importations from the United States alone now closely approach, if indeed they do not exceed, 2,000 tons per working day. Belgium is shipping iron rods into Canada at prices several dollars per ton below our cost of production. Meanwhile, our furnaces are cold and thousands of our men idle, with a certain percentage of our coal output uncalled for.

Our importations of iron and its products for the year ending February 1926 amounted to $171,165,943. Of this amount we imported from the United States alone over $150,000,000 worth. During the same period we exported to the United States $7,225,561 worth. That leaves a difference against us of over $145,000,000. During the same period we imported from the United Kingdom $17,638,232 worth, and we exported to the United Kingdom about $8,000,000 worth. For the year ending February 1926 we imported from all countries iron and steel products to the value of $174,165,943, and we exported $72,855,942. In other words, there is a balance against us on iron and its products of over $100,000,000.

A short time ago, Mr. Ross H. McMaster, the president of one of our large steel industries in Canada, made the following statement in connection with the steel industry:

> Steel manufacture is a basic industry in this as in other countries, but it has been exposed in recent years to growing competition, facilitated by tariff reductions. An average duty of less than 10 per cent does not protect, the result being that steel imports have nearly equalled the domestic output, and that Canadian production has increased by less than one and one-half per cent in fifteen years, as against an increase of 75 per cent in the United States, the Canadian production for 1925 being actually lower than the output in 1912.

An examination of our tariff reveals that there are fifty-five items which admit steel and iron of various descriptions duty free or provide a drawback of substantially the entire duty when intended for particular purposes.

Mr. McMaster goes on to say:

Some in Canada will state that the profits of the Steel Company are large.

He refutes the assertion, and in the concluding paragraph states that they have earned a dividend rate of but 2½ per cent on the capital invested. That does not appear to me to be a very exorbitant rate of interest for that or any other industry.

I am also reliably informed, Sir, that 51,600 tons of steel rails were imported in 1924. Had those rails been bought in Sydney, hundreds of men in the steel mills would have had three months more work, while the coal miners at Sydney would have had 115,000 more working days and $2,000,000 which left this country would have been kept here.

Statistics show that the production of steel ingots in Canada has been as follows:

1912..	821,000 tons
1925..	734,000 tons

That is, in 1925 we produced nearly 100,000 tons less than we did in 1912.

A recapitulation of our steel imports over recent years, embracing rolled products and other lines of iron and steel which this and other Canadian companies produce, shows the duty on imports is at the following ad valorem rates:

	Average rate of duty
Year ending March 31, 1922..	10.65
Year ending March 31, 1923..	10.59
Year ending March 31, 1924..	9.29
Year ending March 31, 1925..	9.48

Or an average rate of less than 10 per cent.

I understand also, Mr. Speaker, that in 1922 the value of fuel used in our iron and steel industries was nearly $8,000,000. The production of pig iron in Canada in 1913 was 1,129,000 tons, and in 1923 it was only 880,000 tons, while in 1924 it was less than 600,000 tons. At the same time our imports of iron and steel increased from 110,000,000 tons in 1922 to 138,700,000 tons in 1923. I do not think the question of the inadequate protection of steel in Canada need be laboured; it is most obvious. The steel industry has been crippled; the production has fallen below that of fifteen years ago; other countries of the world are absorbing our Canadian market; our manufacturers are losing the home market—all these indisputable facts call for a complete revision upward of the tariff on steel. I urgently suggest to the House that this is another of those matters overlooked in the budget presented by the Minister of Finance.

Now I want to pass on to the textile industry. This is one of our most important industries; it employs 19 per cent of our total industrial workers; it pays 15 per cent of the total industrial wages; it produces 14 per cent of our total manufactured products and employs 9 per cent of the total industrial capital engaged. To show the magnitude of this industry—and I am sure this will be interesting to my western friends—within the past ten years there have been times when the value of the textile products manufactured in Canada was greater than the value of the wheat crop. In 1923 the value of our textile products amounted to the colossal sum of $334,439,196.

Mr. FORKE: I would like to ask the hon. gentleman a question in that regard. In making up these figures of the value of the total production of this industry, was the price of the raw material deducted?

Mr. SMITH: I do not think the cost of the raw material has been deducted from these figures.

Mr. FORKE: I would like to point out to the hon. member that in order to ascertain the actual value he must deduct the cost of the raw material entering into the production of the finished article.

Mr. SMITH: These figures were taken from the Canadian Textile Journal, and I believe them to be reliable. I think my hon. friend's question is quite fair, and I also believe that his statement with respect to the consideration of the cost of the raw material is quite correct. But I do not think that detracts from my argument. In the fiscal year ending March 1925, the total imports of manufactured textiles into Canada amounted to $124,592,074. Of this total 77 per cent came from countries where the standard of living is lower than in Canada, and where the wages paid are from one quarter to one half less than those paid in Canada. In the same year, 1925, the total imports of wool, manufactured, amounted to $40,220,768, of which 94 per cent came from low standard of living countries. Manufactured cotton imports amounted to $34,406,109, of which 64 per cent came from low standard of living countries. In 1923 there were 1,817 textile establishments in Canada, representing a total investment of $283,248,204; employing directly 92,669 workers and providing an annual payroll of $81,244,205. These establishments produced goods to the value

already stated. The raw materials purchased by the industry during that period amounted to $176,445,427.

In the fiscal year ending March 1924, which approximates the calendar year of 1923, raw textile fibres to the value of $40,611,749 were imported into Canada, and the importation of manufactured textiles amounted to $129,183,911. I would like to point out also that in the fiscal year 1925 Great Britain exported to Canada 82 per cent of the manufactures of wool coming to this country; the United States 6 per cent, and other countries 12 per cent. In the calendar year 1923, the latest I have showing both home production and imports, the total value of all manufactured woollen and knit goods imported into Canada amounted to $40,700,908, of which goods to the value of $33,111,173 came from Great Britain. That is, the imports totalled over 50 per cent of the value of the home products, and over 22 per cent of those imports came from Great Britain. In 1924 we imported from Great Britain 30,154,200 square yards of woollen and worsted cloth. English manufacturers of textiles are applying for protection in the Old Land; they ask for a 33⅓ per cent ad valorem duty on foreign woollens and worsted cloth.

I pass from that phase of the subject, to return later. In the fiscal year 1925 the total imports from Great Britain amounted to $151,100,207, of which $72,128,723 represented textile products. Of this total, manufactured textile goods represented $67,594,121; manufactures of wool amounted to $33,005,358, and manufactures of cotton amounted to $18,701,523, with the remainder other or mixed textile products. On examining the imports from Great Britain it will be immediately seen that approximately 50 per cent were in competition with our own textile industry, while the remaining 50 per cent is spread over all the other industries in Canada.

Now we come to the effect the French treaty has had in Canada, and I would like to classify it briefly as having two main effects. In the first place it increases the amount of goods made in France and sold in Canada; in the second place it replaces goods made by workers in Canadian mills. The increased imports of cloth from France under the French treaty and the increased importation from Great Britain are closing our mills, and to-day many of our Canadian workmen are out of work. It is an undeniable fact, I think, that a good many of our textile workers are without employment, and a great many of them have left for the United States, which amply protects its textile industry. In the town from which I come we have a very good example of the effect the tariff is having on the textile industry. An industry which in 1921 employed approximately 200 men today employs but two, a night watchman and a day watchman.

Mr. HEAPS: What has been the effect of the United States tariff on the textile workers in that country?

Mr. SMITH: I am not in a position to give my hon. friend exact information as to conditions in the textile industries in the United States, but I can give him a quotation with regard to the conditions among the workers in the textile industries in Canada.

Mr. HEAPS: The hon. gentleman was saying just now that the textile workers in this country were being forced to the United States on account of—

Some hon. MEMBERS: Order, order.

Mr. HEAPS: I have the privilege of asking a question What I am getting at is this: The hon. gentleman says that the textile workers of this country are leaving for the United States because conditions in the textile trades there are better than in Canada, and I am asking if he has information to show that that is the case.

Mr. SMITH: I hardly need any very accurate information from the United States on that point, because we have the fact that our textile workers are leaving this country and going to the United States. I know personally that men who were working in the textile industry in the town of Amherst have gone to the United States. I am not in a position to say whether they were absorbed into the textile industries over there, but this fact is perfectly clear: We are importing into the Dominion of Canada a very substantial quantity of textile products that could very easily be manufactured in Canada, and the result must be to throw our own textile workers out of employment.

Mr. HEAPS: I am not disputing that fact, but is the hon. gentleman aware—

Some hon. MEMBERS: Order, order.

Mr. DEPUTY SPEAKER: I could not hear the hon. member. Is he asking a question?

Mr. HEAPS: I have the permission of the hon. member who has the floor to ask a question, and I do not see very much courtesy in hon. gentlemen opposite trying to prevent my asking a question.

Mr. DEPUTY SPEAKER: As long as the hon. member has the permission of the hon. member who has the floor, he is in order.

Mr. SMITH: I have no objection.

Mr. HEAPS: I was going to ask the hon. gentleman if he was aware of conditions in the textile industries in the state of New Jersey at the present time.

Mr. SMITH. I am not familiar with conditions in New Jersey, nor am I very greatly concerned about industrial conditions in the United States, but I am agitated, as I think everybody in this country, and as I am sure my hon. friend as a Labour member is agitated, over the fact that our Canadian workmen in the textile industries have left and are still leaving this country and that our own textile industries are being shattered by the importations of textile goods from other countries, particularly Great Britain. That is the only point I am making in this connection. It may be as my hon. friend intimates, that there is curtailment of production in the textiles industrie in the United States. That may be due to various causes. I do not know what particular causes may be bringing it about, but there are many that could bring it about. But the point I am making is that our own Canadian market is being absorbed by other countries.

Mr. YOUNG (Weyburn): What protection do the textile industries of this country enjoy on woollen goods, for instance?

Mr. SMITH: The preferential rate is 24¾ per cent. I can give my hon. friend the tariff on all the items, if he wishes.

I have mentioned, Mr. Speaker, that certain firms in the Old Land applied for protection against the goods imported into Great Britain from other countries. It is a fact that the Bradford manufacturers in England requested a duty of 33⅓ per cent on woollen goods imported into England. Now if they require that duty on goods imported into England from countries where the production costs and wages are lower, countries perhaps where there is depreciated currency and non-union labour, and in some cases, I believe, child labour, it seems to me that we in Canada must have an equally high duty against the goods imported into this country from Great Britain, because our relative positions are the same. What I mean is that wages in England are about one-half what they are in Canada, and wages in European countries are just about one-half what they are in England, so that relatively we are in the same position to England that England stands to the European countries, and if England requires a duty of 33⅓ per cent against these goods it seems to me that we shall not be able to compete with England unless we have an equally high duty.

The hon. member for Brandon (Mr. Forke) a few days ago mentioned the question of wool. It has been mentioned before, but it is important and will bear repetition that in Canada we have only about 2,500,000 sheep, which is practically the number we had thirty or forty years ago; in other words, there has been no growth whatever in the sheep raising industry in this country. I am informed that we use in Canada annually 70,000,000 pounds of wool, and that our sheep supply only 15,000,000 pounds of our annual consumption. I have also observed from various sources that our sheep raised in Canada are of the best quality, as I think was evidenced last year or the year before when they swept the boards in prizes at the International Live Stock Show at Chicago. The Commonwealth of Australia has about 30,000,000 sheep, and Great Britain 25,000,000 as compared with our 2,500,000, so there appears to be something radically wrong with the sheep industry in Canada. I realize the fact, which has been pointed out before, that Australia is particularly well adapted to the raising of sheep because they can graze there practically the whole year. This advantage is offset, however, by the fact that the sheep in Australia have to endure droughts, and are also subject to diseases to which our sheep in Canada are not susceptible. I will read what the Canadian Textile Journal of January 10, 1925, has to say on this very point:

> In 1897 a system of specially low duties on goods manufactured in Great Britain was granted by Canada and increased to one-third off the general tariff in 1900. These low duties are collectively known as the "British preference." As Great Britain had the advantage of mass production and a much lower wage, more than eighty-eight woollen mills in Canada, with just about half of the cards and looms in the country, were forced to close their doors and the employees were thrown out of work and much of the capital invested lost, creating hardships in numberless small Canadian towns. Up to this time the increase in the sheep population in Canada was keeping pace with the increases in other live-stock. It is regrettable, however, that in round figures there are no more sheep in Canada to-day than there were when the British preference was first granted. Sheep breeding got a black eye because at that time the wool growers sold their wool to the local mills, who graded, sorted and used it; and with the closing of the Canadian mills the market was gone, as there was no machinery available immediately for the careful grading and preparation which is necessary for obtaining markets abroad.

It seems to me that this is a very serious matter for the Dominion of Canada. I do not know that I would want to venture any

definite opinion or assertion as to where the responsibility should be placed. It is a fact, however, that we have a country which is suited in large measure for the raising of sheep and yet it is not being done; at any rate it is not being done to a degree which is at all comparable with the commonwealth of Australia or even with the British Isles.

With respect to the importations of fibres and textiles. In the year ending February, 1926, we imported from the United States into Canada $78,850,608 worth of these products. During that same period we exported $4,721,979 worth of these articles to the United States. We imported seventy odd million dollars' worth during the same period, and to offset that we exported to the United Kingdom the small sum of $1,457,781 of fibres and textiles. I have here a table showing the imports of manufactured textiles and of imports manufactured and raw; of manufactured wool imported, imports of wool manufactured and raw; of manufactured cotton imported and imports of cotton manufactured and raw. I do not wish to weary the House by reading them, and should like to have them placed on Hansard. They are as follows:

MANUFACTURED TEXTILES IMPORTED INTO CANADA FROM GREAT BRITAIN, UNITED STATES, AND OTHER COUNTRIES

More than one half, or an average of 52¼%, of manufactured textile products imported into Canada come from Great Britain. Over 70% of the total manufactured imports come from countries where the rate of wages paid in the trade are from one quarter to one half of the rate of wages paid in Canada. The proportion of manufactured textiles imported were as follows:—

Manufactured Textiles Imported

Fiscal year	1923	1924	1925	Average of 3 years
From:—				
Great Britain	51%	52%	54%	52⅓%
United States	32%	28%	23%	27¼%
Other Countries	17%	20%	23%	20 %

Imports Manufactured and Raw

Imports of textile manufactures:—	1923	1924	1925
From:—			
Great Britain	$65,006,028	$67,967,878	$67,594,121
United States	41,864,612	36,315,502	29,475,236
Other Countries	21,765,046	24,900,531	27,522,727
Total	$129,235,686	$129,183,911	$124,592,874
Imports of raw materials:—			
From:—			
Great Britain	$ 3,733,796	$4,316,488	$ 4,534,602
United States	35,418,860	38,448,334	34,538,214
Other Countries	1,758,616	1,846,927	1,875,858
Total	$40,911,272	$44,611,749	$40,848,674
Imports manufactured and raw:—			
From:—			
Great Britain	$69,339,824	$72,284,366	$72,128,723
United States	77,283,472	74,763,836	64,013,450
Other Countries	23,528,662	26,747,458	29,298,584
Total	$170,146,958	$173,795,660	$165,440,757

Manufactured Wool Imported

WOOL.—An average of 83⅓% of the Manufactures of wool imported come in from Great Britain. While over 90% of the total manufactured wool imports come from the low wage paying countries, where the standard of living is lower than in Canada. The proportion of manufactured wool imported was as follows:—

Fiscal years	1923	1924	1925	Average of 3 years
From:—				
Great Britain	86%	82%	82%	83⅓%
United States	8%	7%	6%	7 %
Other Countries	6%	11%	12%	9⅔%

Imports Wool Manufactured and Raw

Imports of manufactures of wool:—	1923	1924	1925
From:—			
Great Britain	$34,506,176	$33,000,521	$33,095,358
United States	3,257,892	2,625,567	2,131,882
Other Countries	2,359,414	4,398,857	4,993,527
Total	$40,123,482	$40,024,945	$40,220,768

Imports Wool Manufactured and Raw—*Concluded*

Imports of raw wool, Noils, waste:—			
From:—			
Great Britain	$3,256,507	$4,744,575	$3,882,798
United States	780,280	1,883,749	2,567,990
Other Countries	1,574,112	665,099	943,347
Total	$5,610,899	$7,293,423	$7,394,135
Imports Manufactured and raw:—			
From:—			
Great Britain	$37,762,683	$37,745,096	$36,978,156
United States	4,038,172	4,509,316	4,699,873
Other Countries	3,933,526	5,063,956	5,936,874
Total	$45,734,381	$47,318,368	$47,614,903

Manufactured Cotton Imported

COTTON.—The imports of Manufactures of cotton in 1925 as compared to 1923 have increased in proportion from Great Britain as against those from the United States. The proportions of manufactured cotton imported was as follows:—

Fiscal years	1923	1924	1925	Average of 3 years
From:—				
Great Britain	44%	50%	55%	49¾%
United States	48%	42%	36%	42 %
Other Countries	8%	8%	9%	8¼%

Imports Cotton Manufactured and Raw

Imports of Manufactures of Cotton:—	1923	1924	1925
From:—			
Great Britain	$17,864,982	$19,168,557	$18,701,523
United States	19,392,130	15,838,965	12,540,426
Other Countries	3,128,646	3,029,499	3,164,160
Total	$40,385,758	$38,037,021	$34,406,109
Imports of Cotton raw:—			
From:—			
Great Britain	$ 2,183	$ 39,715	$ 2,582
United States	28,318,681	28,332,723	24,903,707
Other Countries	3,840	18,840	31,962
Total	$28,324,704	$28,391,278	$24,938,251
Imports of Manufactured and raw:—			
From:—			
Great Britain	$17,877,175	$19,208,272	$18,704,105
United States	47,710,811	44,171,688	37,444,133
Other Countries	3,132,586	3,048,339	3,196,122
Total	$68,720,272	$66,428,299	$59,344,360

Comparing the government figures for the first four months of the fiscal year 1925—that is to say the months of April, May, June and July—with the same months in 1923 and 1924, the imports of raw wool, worsted tops, noils and waste, on an estimated grease wool basis, amounted to:

Four months—	Pounds
1923	13,658,060
1924	8,728,501
1925	6,726,543

The importations of yarns for further manufacture in Canada during the same period were as follows:

	Pounds
1923	1,278,944
1924	943,905
1925	855,678

Coincident with this tremendous reduction of raw and semi-raw materials to be further manufactured by Canadian workingmen, the importations of woollen and knit goods further advanced than yarns, for the same four months' periods reached the following tremendous totals:

1923	$11,154,208
1924	10,938,474
1925	10,603,207

In other words the imports of raw material for manufacture during these comparative periods was 130 per cent greater in 1923 than in 1925, with all that implies to the pay envelope of the Canadian worker.

The tremendous increase in the importation of goods made by workers abroad since the

reductions in Canadian duties on goods from Great Britain in 1922 and 1923 are shown by the British government figures of the exports to Canada of woollen and worsted cloth for the calendar years as follows:

	Square yards
1921..	13,095,400
1922..	27,014,500
1923..	28,834,700
1924..	30,154,200

These figures do not include blankets, furniture stuffs, flannels, carpets, hosiery, underwear and fancy knitted goods.

The effect of the reductions in Canadian duties on goods made by workers in France, which went into effect in September, 1923, is shown by the Canadian government figures of importations of woollens and knitted goods from France for the twelve months ending March in each year. The figures are as follows:

1922..	$ 699,838
1923..	1,020,122
1924..	2,061,935
1925..	3,284,976

As will be observed the figures in 1922 were $699,000 odd, but in 1925 they jumped up to over $3,000,000. That shows the effect of the reductions under the French treaty in that line of goods.

With respect to the way in which the Commonwealth of Australia deals with the question of the importation of textiles into their country it may be interesting to note that woollens from the United Kingdom enter Australia under a duty of thirty per cent, whereas in the case of similar articles from other countries the duty is forty-five per cent. In other words the Canadian manufacturer is discriminated against by fifteen per cent in favour of the British manufacturer.

Now let me give a comparison of the woollens imported into the United States and those imported into Canada during the years 1923 and 1924. These imports include cloth, carpets, knit goods, yarns, made-up, and felts. The figures are as follows:

Importations into United States in 1923..	$52,467,059
Importations into Canada in 1923..	40,700,908

In other words, the imports per capita into United States of the articles I have mentioned for the year 1923 were 43 cents as compared with $4.79 per capita in the case of imports into Canada. It seems to me this tells a very striking story of the difference per capita between importations into the United States, where these industries are protected, and importations into Canada, where the industries are not sufficiently protected Covering the same articles in the year 1924 there was very little difference. The per capita importations from the United States amounted to about 42 cents per head, and in Canada in 1924 they amounted to $4.69 per head. Speaking again about the Australian tariff, to show how tariffs work out, compare the duties paid on a yard of tweed or of worsted cloth invoiced at five shillings a yard, and 36 inches wide, when imported into Canada and Australia. The rates of duties are:

	Canada	Australia
	per cent	per cent
British preference	24½	30 plus 1/—per sq. yd.
France, Italy, Belgium, Switzerland..	29½	40 plus 2/—per sq. yd.
Intermediate..	35	40 plus 1/6 per sq. yd.
General..	35	45 plus 2/—per sq. yd.

Coming back for a minute to a further comparison between the United States and Canada: one and one-quarter square feet of woollen and worsted cloth per head of population was imported by the United States from Great Britain in the calendar year 1924, while during the same period Canada imported 32 square feet per head of population. As to Great Britain, the comparative figures are as follows:

To Canada was imported 30,154,200 and to the United States 17,189,500. The population of the two countries being taken into consideration gives a per capita of 0.14 in the United States as against 3.54 in Canada.

Now, Mr. Speaker, I would like to show the attitude displayed towards this very important industry in the United States by the president. He said:

I confess that I desire to see our country prosperous; I am aware there can be no prosperity in which the textile industry does not have a generous share.

President Coolidge said at Washington, April 6:

There are sound and accepted historians who date the beginning of the modern phase of the industrial epoch from the invention of power-driven machinery for textile making.

From our national beginning it has been an almost uniform policy to conserve to the American producers the rights of first opportunity in the home market. The American home market is the most wonderful commercial development in all human experience.

The fact that our buying and consuming capacity is so great proves that, despite some inequities, we have on the whole maintained a more equitable distribution of the proceeds of industry than has been possible in less favoured communities. We are reaching a very fair approximation of democracy in industry.

The pride of quality and craftsmanship has always been maintained to a notable degree throughout most of the textile industry. It necessarily denotes the payment of as liberal wages as the business can justify, and thereby the establishment of a great community of skilled and intelligent workers. Industrial prosperity depends almost entirely on men and women of skill.

Industry has come thoroughly to recognize its responsibilities towards its employees. The government approves of and shares in that responsibility. It has come to be recognized almost universally that only upon justice to wage-earners of the nation can there be reared any lasting prosperity.

It seems to me that if we would adopt a similar motto in this country we would be doing something of a very substantial and commendable character toward this industry. I spoke a few minutes ago about an industry in the town of Amherst, which is in the constituency I represent. I have a letter from the president of the Stanfield concern which was located there—the buildings are still there but they are not in operation—in which he relates some matters of interest. In reference to the Amherst mills he states:

We found we were not getting a new dollar back for the old dollar expended; were wearing down our plant, and it was better to close down—take our liquid assets and convert them into cash and loan same out. The past twelve months have proved to us that this was a wise course for us to take in the interests of our shareholders.

He states further:

A beautiful mill like the Amherst Woollen Mills, if in the States, would be worth hundreds of thousands of dollars and would be employing hundreds of workmen. The same thing applies to a less extent to the Oxford Woollen Mills.

He further states in his communication to me:

Years ago there were in the province of Nova Scotia woollen mills at Yarmouth, Eureka, Hopewell, Amherst, Oxford and Truro.

I think I am correct in saying that of all those mills referred to, the one at Truro is the only one in operation to-day. The Oxford Woollen Mills recently commenced operations on a small scale in the hope that they may be able to compete under the serious disadvantage to which they are subjected. I had a letter which I wished to read for the benefit of my hon. friends from Winnipeg in connection with the attitude of labour in the Dominion of Canada towards the textile industry. I am sorry I have mislaid it, but it was quite significant and stated in substance that the textile workers in the Dominion of Canada were not being treated fairly by the government in that their markets were being absorbed by foreign countries, and that if this policy of allowing other countries to come in and absorb the markets was continued they could not hope for anything of an encouraging nature for the workers in the textile industry of Canada.

I desire to speak for a few minutes on the question of the boot and shoe industry and its relation to the tariff, another matter that has been entirely overlooked by the Minister of Finance. The manufacture of boots and shoes is usually one of the first things to start in any country. Footwear is undoubtedly a necessity. There usually is a domestic supply of hides, so that one finds the primary condition for manufacturing, namely, a demand for the product and a supply of the raw material. This is another industry which, I submit, is suffering on account of unfair competition, and an industry for which there has been no relief under the tariff. This industry is one of the oldest in Canadian history. As far back as 1667, the Jesuits wrote to France that as a country could not be formed entirely without the assistance of manufactures, an industry was already in operation making shoes and hats and another was in contemplation for linen and leather. From its early beginnings the shoe industry has been completely revolutionized, and the manufacture of fine shoes in this country may be said to date from only about 1885 or 1890. This development has been accomplished against tremendous odds and in the face of many handicaps. United States factories for a long time supplied a very large proportion of the fine footwear sold in the Dominion, our factories not being able to afford to manufacture those finer types and styles.

It may be interesting to note that during the war the shoe industry consolidated its position and proved to the world that its product in all lines was second to none. We made 3,000,000 pairs of army shoes during the conflict, and in the years 1919 and 1920 we exported to twenty-five countries, our exports of boots and shoes amounting in 1920 to $5,678,720. After the war other countries started to adjust their tariffs and Canada's export market was shut off, the result being that Canada's exports of boots and shoes for the twelve months ended February, 1926, amounted to only $265,000 as against $5,678,720 in 1920. The industry to-day is operating at approximately seventy-five per cent of its full time capacity.

It is significant that the production of boots and shoes in Canada last year was less than the output in 1912 by 1,800,000 pairs and, that while United States factories increased their production from 313,230,157 pairs in 1924 to 323,553,055 pairs in 1925, the Canadian output dropped from 15,800,000 pairs in 1924 to 15,500,000 pairs in 1925. It is estimated that more than a hundred shoe manufacturing firms have failed or been forced into financial reorganization since 1920. During the last four or five years the shoe factories have been operating at a loss.

The industry certainly requires protection, but what has been the situation? In 1922 the government reduced British preferential rates on boots and shoes from 17½ per cent or 20 per cent, depending on the class, to 15 per cent or 17½ per cent. In 1923 a further reduction was made and the lower duty now stands at 15¾ per cent. Importations of British footwear into Canada for the years 1922, 1923, 1924 and 1925, showing the number of pairs and the value, are as follows—I cannot supply the number of pairs for 1922:

Year	Number of pairs	Value
1922	records not complete	$ 456,073
1923	341,814	738,760
1924	652,925	1,186,097
1925	805,201	1,132,850

Hon. members will note the striking difference between the imports in 1922, amounting to $456,073, and those in 1925, amounting to $1,132,850. This shows quite conclusively, I think, why so many of the factories I have mentioned have been forced either to close their doors or to go into financial reorganization.

English manufacturers have the important advantage of lower wages and the importation of all their raw materials free of duty. Leather tanned in Germany and other European countries is used in the manufacture of English footwear. The duty of 15¾ per cent afforded our Canadian shoe industry is practically offset, it is estimated, by lower wage costs in England. There are 190 shoe factories in Canada. British manufacturing plants have been so slack that it is stated that they have been cutting their prices to a non-profit basis and in many cases quoting prices for export without figuring any charge for overhead in order to get the export business, their overhead being carried by the home market. Another important point is that Canadian regulations allow goods to be sold here at prices five per cent less than those in the country of origin before the dumping duty is applicable. Canadian appraisers in most cases have no knowledge of shoe costs and values and are unable to check alleged fair market prices in England.

I have in my hand a statement of the importations into Canada of boots, shoes and slippers for the years 1922, 1923, 1924 and 1925 showing the number of pairs and the values. With the permission of the House I will ask the liberty of placing it on Hansard.

The statement is as follows:

Official statistics of importations into Canada of boots and shoes and slippers (rubber footwear not included)
From the United Kingdom only

Table No. 1—Value

	1922	1923	1924	1925	1926
	$	$	$	$	$
January	18,204	20,336	50,300	60,077	40,194
February	24,636	33,495	64,140	90,452	65,674
March	56,183	72,980	126,546	121,594	
April	32,765	41,395	60,819	68,855	
May	23,767	41,474	75,969	69,765	
June	28,915	45,220	77,138	81,004	
July	39,722	41,299	96,170	76,647	
August	45,997	98,132	134,669	140,835	
September	44,650	97,275	131,154	153,291	
October	56,399	85,749	187,970	113,799	
November	52,141	99,217	99,249	89,570	
December	32,694	62,188	81,973	66,961	
	456,073	738,760	1,186,097	1,132,850	

Table No. 2—Number of pairs

——	1922	1923	1924	1925	1926
	$	$	$	$	$
January	not reported	6,138	23,719	24,152	18,031
February	"	9,800	29,515	38,901	22,449
March	"	19,976	46,433	51,596	
April	6,950	12,213	24,221	30,057	
May	6,745	15,978	38,110	43,417	
June	12,482	13,772	46,663	60,903	
July	18,173	14,995	58,939	63,101	
August	20,644	57,420	74,537	103,812	
September	15,683	59,394	76,250	108,300	
October	25,387	45,385	110,240	116,319	
November	23,839	53,435	72,756	92,251	
December	14,099	33,308	51,542	72,392	
	.....	341,814	652,925	805,201	

I would like also to put on Hansard a statement of the factory production of machine-made boots and shoes in Canada since 1911. The figures are as follows:

Factory Production of Machine-Made Boots and Shoes in Canada

	Pair
1911	13,980,000
1912	17,300,000
1913	15,736,000
1914	13,954,000
1915	15,393,000
1916	20,000,480
1917	15,295,000
1918	15,000,000
1919	19,300,000
1920	16,000,000
1921	14,460,000
1922	16,600,000
1923	16,050,000
1924	15,800,000
1925	15,500,000

Importations from the United States for the year ended February 1926 amounted to $774,533 and exports to the United States during the same period amounted to but $125,165. We imported from the United Kingdom leather unmanufactured goods to the amount of $626,070, leather manufactured goods to the amount of $1,312,503, and boots and shoes to the amount of $748,441.

As regards the handicaps under which our shoe manufacturing business is operating, one is the small quantity of shoes made in Canada as compared with the large quantity made in the United States, and it naturally follows that with the mass production they have in the United States they can produce their goods more cheaply. One of the principal troubles to-day with the shoe manufacturing industry of Canada is the competition we are getting from England. The tariff on goods coming in from England to-day, as I have stated, figures out at only 15¾ per cent. The rate of duty is 17½ per cent less 10 per cent when the goods are imported through a Canadian port, making the duty 15¾ per cent net.

Another important point is that most of the raw materials that we use in our shoes, such as fine kid leathers, findings of all kinds, are subject to a much higher rate of duty coming into Canada than the finished product, that is the shoes coming into Canada. The tariff on these articles runs all the way from 15 per cent up to 35 per cent in some cases, and as the tariff on shoes coming in from England is only 15¾ per cent one can see in that case there is a higher tariff on the raw materials coming into Canada than there is on the finished product. By raw materials I mean the shoe manufacturer's raw materials, such as leather and other things, which in turn are the preceding manufacturer's finished products. There are several leathers made in Canada as good as can be purchased anywhere; but a great many lines, particularly in the finer leathers, and practically all the findings that go into shoes, cottons, are very much cheaper in England, and are subject to a tariff on entering Canada. So it can be seen at a glance how absolutely necessary it is that our shoe manufacturing industry should have reasonable tariff protection if it is to function successfully.

Adequate protection is essential to offset, first, the mass production of shoes in the United States, and, second, European competition, particularly that from England. During the past few years our imports from England have been increasing rapidly, as the figures I have quoted show. One part of these imports is men's fine grade shoes, and when comparison is made of the number of pairs of shoes of this grade imported with the number of pairs of a similar grade made here, the percentage of imports is very much greater than would be indicated on the sur-

face by a comparison of the value of the shoes imported with the value of the total of our own production. The actual imports of men's fine shoes from England last year amounted to 242,000 pairs, while we made during the same period from 525,000 to 550,000 pairs of similar grade. It will be seen that the percentage of imports of this grade of shoe is very high, being practically from 35 to 40 per cent, instead of only 5 per cent, as is often claimed by people who talk about the imports of foreign shoes. Their figure is arrived at by making a comparison of the value of all kinds of shoes imported with the value of our total production. The shoes imported consist principally of two grades, a very good men's shoe and a cheap slipper from Europe, and from the United States a fair quality of women's shoe; whereas the total value of the shoes manufactured in Canada is made up of all kinds of leather footwear, such as larrigans, moccasins, and all the various kinds of men's, women's, children's, misses', boys' and youths', and all other kinds of shoes, both leather and canvas uppers, with only the exception of rubber footwear.

Labour costs in Europe in the shoe industry—in England, in fact where labour is the highest paid of any country in Europe—are only 40 to 50 per cent of labour costs in the shoe industry in Canada, and in Germany the relative labour costs are considerably less. Then you have to consider the fact that raw materials, such as findings, nearly all of which have to be imported, and some kinds of fine leathers which also have to be imported, are not subject to any duties when imported into England, therefore, the cost of their materials in that particular is considerably lower than in Canada. For these two reasons it is absolutely essential that a substantial tariff—a tariff considerably higher than it is at present—be imposed upon shoes imported from England.

The application of the British preferential tariff has dealt a very severe blow to the shoe manufacturing industry in Canada on account of the large imports from Great Britain during the past few years. There should be no preferential tariff on shoes coming in from Great Britain to Canada. The tariff should be equally as high as it is on shoes from the United States. It is argued by some people that higher tariffs mean higher prices to the consumer. I think I can assure you that in the shoe industry it would mean just the reverse, that, for instance, if the tariff on British shoes was increased it would enable the manufacturers of similar grades in Canada to reduce their prices. They would be glad to do so, as their output would be considerably increased by the elimination, or partial elimination of the present British competition. I think it will be acknowledged by every member that our shoe industry has been suffering severely on account of unfair competition, mainly from England, and it must be recognized by those who have shoe industries in their constituencies that this is a very lamentable state of affairs. I have some personal knowledge of this by reason of the fact that there is a shoe industry located in my county. It was established away back in 1867 and was prosperous until within the past five years, when it began to decline, and to-day instead of running at full capacity, as it had done during most of its existence, it is working only part time, and the employees are not receiving the wages that the company could otherwise afford to pay them if they had ample work. The only way to secure ample work in this industry is by giving it the protection it requires.

Now, Mr. Speaker, with respect to agriculture, in my county we have a good agricultural district, but it has been suffering for a long time, and I suppose my friends the agriculturists will say that it will always continue to suffer. It is the basic industry in the Dominion and one of the most important. It has been stated in the past by various Canadian legislators that too much could not be done for Canadian agriculture, and I believe that statement holds good to-day. There are different ways of helping agriculture. The federal Department of Agriculture is spending large sums of money annually in order to further its interests, and I have no particular criticism to make of this expenditure, but I have with respect to the disadvantages which our farmers are labouring under through being robbed of their home market, that market being taken away from them by the United States, Australia and other countries. I understand that for the year ending February, 1926, the agricultural and vegetable products we imported from the United States amounted to $96,359,445, whereas we exported to them but $63,549,695—a difference of over $30,000,000. I believe we should follow the motto in agriculture as in textiles that I have mentioned before as having been enunciated by the President of the United States. Although frequently quoted in this House I believe it is of sufficient significance to merit at least one more repetition. Speaking of agriculture,

Calvin E. Coolidge, President of the United States, said:

> We have built agriculture squarely into the structure of our protective system, and the American farmer must not be undersold at home by New Zealand mutton, Argentine beef, Canadian wheat, Danish butter, Bulgarian tobacco, Chinese eggs or Cuban sugar.

In conclusion, Mr. Speaker, let me say that we have been following since 1922 a most mystifying and peculiarly absurd fiscal policy in this country. In the light, knowledge and complete understanding of what tariff measures practically the whole civilized world has adopted since the war affording more adequate protection, we in Canada stand as the only country of importance adopting a policy of an opposite character, namely the lowering of our tariff barriers.

That the question of trade is one of international niceties and fraught with intricacies, we all admit. That we must adhere to some extent to international trends, to hold our own in international trade relations with the world, is axiomatic. The world's policy is against us in our costly experiment. We are a strong, virile and intelligent people; our country is teeming in a wealth of natural resources, the envy of civilization. A great deal depends on our international attitude under the world's trading policy as to whether we will be able to forge ahead in the race for international trade supremacy. With our country's fiscal policy out of step with the world; with our markets held for and being absorbed by foreign countries; with our industries shattered or stultified; with our exodus to highly protectionist countries. we should learn at least the simple lesson that, clever as we may be, proud and courageous as our government may wish to appear in the eyes of the world, we are as yet a small, struggling nation bent on building up our country. We should be following a main essential recognized world policy of protection that will inure to the safeguarding of our small and crippled industries; to keep our Canadians in Canada, to hold our Canadian markets for Canadians, and to protect all other interests. We fail in our purpose, in our obligations to the labouring classes, to our agricultural interests; to our industrial structure; we fail to promote our country's general welfare and to recognize our duty to posterity unless we pursue the course of recognized international advantage by safeguarding and protecting every legitimate interest in the Dominion of Canada.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, after all the sad utterances of hon. gentlemen opposite, it was a pleasure to listen to the cheerful budget deliverance of the Finance Minister (Mr. Robb). His message is full of promise. It entirely dispels the delusion that Canada is not now upon the wave leading to another great tide of national prosperity. The House was delighted to know that after meeting every financial obligation, even to the capital interest charges due the public on Canadian National Railways, we had been able to reduce the public debt during the year by $22,353,000.

There was one incident in the opening of the budget debate which I cannot help recalling. I may be wrong in my interpretation, but I give it to the House for what it is worth. At the conclusion of the address of the hon. member for South Wellington (Mr. Guthrie) when his leader approached him in congratulation, I imagined him as saying, "Well, friend, you did well; you made the best of a very weak case. But oh, Hugh, isn't it a pity that we did not get the chance to deliver that budget?" While I congratulate the hon. member for South Wellington on his remarks, they contained a serious weakness; a complete want of harmony with his leader. When he told this House that the fiscal policy of the King government was a departure from the settled fiscal policy of Canada, he knocked all the powder out of his leader's gun. If there is one thing more than another which the right hon. leader of the opposition has sought to impress upon this House and emphasize with all his vigour, it is "that protection is the settled fiscal policy of this country; that the King government had abandoned its low tariff policy; that it never was sincere in its anti-protection platform," and that "it dare not verge by one hairbreadth from the policy of protection." Therefore one of two things must be done; a house divided against itself cannot stand. He must either take his half-baked supporter out behind the door and apply the taws, or politely step down himself.

With some of the statements of the hon. member for South Wellington I at once take issue. The fiscal policy of the Liberal party was never a policy of protection, and is not so to-day. Sir Wilfrid Laurier was not a protectionist, and when such an unwarranted aspersion is cast upon his memory, especially from such a source, I at once hurl it back. Sir Wilfrid Laurier was always the friend of the common people as against the encroachments of the specially protected interests. The Liberal party had been twice defeated on the platform of unrestricted reciprocity, once under the leadership of the Hon. Edward Blake and again under his own leadership, the people saying by their votes that they

were trying to give too much at once. With such an experience after assuming office Sir Wilfrid Laurier and his government proceeded more cautiously, through the medium of the British preferential tariff, and the following are some of the substantial reductions which have been made. I ask to be allowed to place this table on Hansard without reading it, so that every hon. member may have an opportunity of studying it.

The following is a Comparison of the Rates of Duty Under the Conservative Tariff of 1896, and Under the Liberal Tariff, on Certain Well-Known Articles

Article	Conservative Tariff	Liberal Tariff		
		British Preferential Tariff	Intermediate Tariff	General Tariff
Indian corn	7½c. per buh	Free	Free	Free
Rape seed, sowing	10%	Free	Free	Free
Seed beans from Great Britain	15c. per bush	Free	Free	Free
Binder twine	12½%	Free	Free	Free
Cordage	1¼c. per lb. and 10%, equivalent to from 28 to 35%	20%	22½%	25%
Books on the application of science to industries of all kinds	6c. per lb	Free	Free	Free
Books for the use of mechanics' institutes, libraries of universities, colleges or schools	6c. per lb	Free	Free	Free
Cream separators	27½%	Free	Free	Free
Barbed fencing wire of iron or steel	¾c. per lb	Free	Free	Free
Galvanized wire, iron or steel, 9, 12 and 13 gauge	25%	Free	Free	Free
Wire fencing, woven wire fencing of iron or steel	27½%	10%	12½%	15%
Wire of all kinds, n.o.p.	25%	15%	17½%	20%
Ferment cultures for butter-making	Rates varying from 20% upwards	Free	Free	Free
Agricultural Implements.				
Farm, road or field rollers	35%	15%	22½%	25%
Forks, pronged	35%	15%	20%	22½%
Hay tedders	35%	15%	22½%	25%
Hay loaders	35%	15%	22½%	25%
Potato diggers	35%	15%	22½%	25%
Hoes	35%	15%	20%	22½%
Spades and shovels	50c. per doz. and 25%, equivalent to about 38%	38%	30%	32½%
Fanning mills	35%	15%	22½%	25%
Grain crushers	35%	15%	22½%	25%
Windmills	30%	12½%	17½%	20%
Threshers and separators	30%	15%	17½%	20%
Fodder and feed cutters	35%	15%	22½%	25%
Mowing machines, harvesters and reapers	20%	12½%	17½%	17½%
Stoves of all kinds	27½%	15%	22½%	25%
Table cutlery of all kinds	32½%	20%	27½%	30%
Pumps	30%	15%	25%	27½%
Locks	32½%	15%	25%	27½%
Nails, wire of all kinds	1c. per lb	4–10c. lb.	5–10c. lb.	6–10c. lb.
Butts and hinges	32½%	15%	25%	27½%
Sleighs	30%	17½%	22½%	25%
Coal, bituminous	60c. per ton	35c. per ton.	45c. per ton.	53c. per ton.
Coal oil	6c. per gal	1½c. per gal.	2½c. per gal.	2½c. per gal.
Lubricating oil, composed wholly or in part of petroleum	6c. per gal	1½c. per gal.	2½c. per gal.	2½c. per gal
Candles	30%	15%	22½%	25%
Common and colourless window glass	20%	7½%	12½%	15%
Cotton duck	25%	15%	17½%	20%
Grey cotton fabrics	22½%	15%	22½%	25%
Cotton sheets	32½%	17½%	22½%	25%
Cotton shirts, costing more than $3 per doz	$1 per doz. and 25% equivalent to 37% ad. val	If dyed, 25% If undyed, 17½%	If dyed, 30% If undyed, 22½%	If dyed, 32½% If undyed, 25%
Cotton sewing thread	25%	17½%	22½%	25%

The following is a Comparison of the Rates of Duty Under the Conservative Tariff of 1896, and Under the Liberal Tariff, on Certain Well-Known Articles—Concluded.

Article	Conservative Tariff	Liberal Tariff		
		British Preferential Tariff	Intermediate Tariff	General Tariff
Agricultural Implements—*Concluded*				
Cotton fabrics, undyed	25%	17½%	22½%	25%
Socks and stockings	10c. per doz. prs. and 35%	25%	32½%	35%
Blankets	5c. per lb. and 25%	If wholly of pure wool, 22½%	30%	35%
	Equivalent to 39%	If not of pure wool, 30%	35%	35%
Woollen socks and stockings	10c. per doz. prs. and 35%	25%	32½%	35%
Undershirts and drawers	35%	22½%	30%	35%
Woollen cloths	5c. per lb. and 25%	30%	35%	35%
	Equivalent to ad. val. duties ranging from 39 to 60%.			
Flannels, plain	5c. per lb. and 25%	22½%	30%	35%
Wheat flour	75c. per bbl	40c. per bbl.	50c. per bbl.	60c. per bbl.
Rice, cleaned	1¼c. per lb	50c. 100 lbs.	65c. 100 lbs.	75c. 100 lbs.
Oranges	Specific rates, equivalent to 15%	Free	Free	Free
Wall paper	Average rate, about 39%	22½%	32½%	35%
Head ropes for fishermen	1¼c. per lb. and 10%	Free	Free	Free
Refined cotton seed oil, for canning fish	20%	Free	Free	Free

May I also observe at this point that special trade agreements with individual nations are now so common as to have become the more popular means of encouraging international trade, and the present government has very wisely sought to break down international trade barriers by proceeding along these lines.

In addition to the substantial reductions which the Laurier government made in the tariff, it gave to this country a record of clean, efficient and progressive government, and, Sir, the brightest page in that fifteen years' record is the page which records the fact that that administration was asked to step down and out because its great leader staked its life on a question of high principle, without even a breath of scandal having been attached to its name. The fact that that administration was defeated fighting on the finest low tariff platform ever presented to the people of Canada is the pride of every Liberal, as it was the crowning satisfaction of our noble leader.

Following that record, we had a ten year term of Tory government in this country, of which the less said the better. Had it not been for the remarks of the hon. member for Frontenac-Addington (Mr. Edwards) yesterday, I would have let it go in silence, but, Sir, after fifteen years of progress such as this country attained under the Laurier administration, and with only an increase in ordinary expenditure of some $4,000,000 per annum, their successors in the three years before the war increased the ordinary expenditure by over $36,500,000. They had become so extravagant that even their own political friends were saying freely that they were squandering the money of this country like a lot of drunken sailors.

Then came the war, and in its direction and prosecution, together with the debasement and desecration of the franchise through the medium of the War-time Elections Act and the Soldiers' Voting Act, both of which are the special children of the right hon. leader of the opposition (Mr. Meighen), we had the most diabolical government record of mismanagement and maladministration which ever stained the pages of Canadian history. In the face of such a record, and after the way they borrowed money and added to the national debt more than Canada's entire war cost and cost of demobilization, at a time when they could have and should have collected hundreds of millions of dollars in war time taxation—in the face of such a record, it is a wonder to me that hon. gentlemen opposite are not reticent, rather than charging this government with delaying the return of prosperity to this country.

]Mr. McMillan.]

As a result of the record of hon. gentlemen opposite when they were in power, no Canadian government ever assumed office under greater difficulties than the present King administration. Their first act was to bring order out of chaos. Their work of reconstruction was necessarily slow, and it had to be done with care. They had to face enormous annual expenditures of nearly $464,000,000, and they could only effect reform through lessened taxation and otherwise as their carefully planned gradually reducing expenditures would permit. But their record is good. In the four years time, without taking the National railways into account—I believe we should discuss the business of the National railways in this House, but I say again now, as I said in my remarks on January 21, that I believe we should keep the business of the Canadian National Railways separate from the general public business of this country—this government has been able in the four years to reduce the expenditure by $354,000,000 below the basis of the last year of the Meighen administration.

The very first act of this administration was a marvellous stroke of business for the Canadian people. In the appointment of Hon. P. C. Larkin as High Commissioner, this government obtained the services of a man of outstanding diplomatic and business ability. His record to date is one of which every Canadian may well be proud. While the Borden government had received the promise in 1917 that the cattle embargo would be removed, yet they sat on the fence until the Hon. Mr. Larkin went over there in 1922, and in eight months' time, on the 15th day of December, 1922, he was able to see the statute finally removing the embargo obtain the royal assent.

Apart from the ordinary duties to which the office of High Commissioner had previously confined itself, Mr. Larkin has been able to collect for the Canadian government $136,313,795 from different countries. These were debts which had been lying idle for three or four years before he went over, and our government was receiving neither principal nor interest on account of these debts. He has also succeeded in funding the $24,000,000 Roumanian loan and the $11,000,000 loan to Greece, on account of both of which we are now receiving interest and sinking fund payments regularly. These were debts which Sir Vincent Meredith, president of the Bank of Montreal, had considered hopeless, but the high commissioner has been able to secure in those, obligations which are as good as gold.

Coming now to the budget proposals and the reductions proposed in the tariff, I am not surprised at the calamity howls that have been going up from across the way. Why, it would not be the Conservative party if they did not indulge in that kind of thing, and the very fact that they offer such a half-baked amendment to the budget shows to us that they are not sincere in what they are saying. I go further. I believe that we will get ninety per cent of the people to favour these budget proposals. What did the Conservative party do two years ago? Their howling was the same when this government reduced the agricultural implement duties They said the agricultural implement industry was going to be destroyed, and the hon. member for South Wellington (Mr. Guthrie) even went so far the other day as to say that it had been destroyed, and that there were very few mowers and self-binders being manufactured in this country now, but that we were supplying our needs from the United States. What are the facts? For the fiscal year 1921-1922, 1,271 mowers came into this country from the United tSates; for the twelve months ending February, 1925, only 396 mowers came into Canada. For the twelve months ending in February of the present year, only 353 mowers came into this country. So that we have an importation of 353 mowers in the year ending February, 1926, as against 1,271 in the year 1921-22 when hon. gentlemen opposite were in power. When it comes to self-binders what do we find? For the fiscal year ending March, 1921, the imports of self-binders into Canada numbered 5,485. For the twelve months ending February, 1924, the number was 3,226, and for the year ending February, 1926, there was an importation of 2,118. But hon. gentlemen opposite told us nothing about the exports of agricultural implements from Canada to the United States. What do we find to be the case in this regard? In 1921-22 the export amounted to $583.005. For the twelve months ending in February, 1925, the figure had grown to $1,201,179, and for the twelve months ending February, 1926, it had increased still further to $2,324,073. These were exportations into the United States, meeting the competition of American manufacturers in their own country. Now let me take the total export of agricultural implements.

Mr. EDWARDS (Frontenac): The hon. gentleman has given the amounts in dollars. Has he the figures at hand showing the number of machines?

Mr. McMILLAN: No, I have not those figures at hand. The total export of agricultural implements for the year ending February, 1924, before the tariff reductions were effected, amounted to $9,028.596. For the

twelve months ending February, 1926, the total export amounted to $13,516,407, showing that the manufacturers of agricultural implements were thriving as they had never done before.

It will be the same in the case of the automobile industry. We hear very humiliating references to the manufacturers of automobiles; a reference of that kind was made last evening to Mr. Henry Ford. May I be permitted to say that Mr. Ford is the kind of manufacturer that we want to see in this country? We want here men who are willing to rely on their own resources rather than on government favours. I am surprised to observe how hon. gentlemen opposite endeavour to decry the standard of the Canadian people. We have the best people in the world, able to meet competition from any country. We farmers are ready and willing to do that, and I believe that if the matter were fairly placed before them the majority of the people of this country would support that stand. We hear quite a lot about automobiles these days, but in my opinion at no distant date there will be more automobiles sold than ever. The increased production will give employment to more workingmen, a greater number of men will be engaged in the trade, and the same satisfactory results will be noticeable in the case of that industry as in the case of the agricultural industry today.

Coming to the matter of electric light plants for the farmers, hon. gentlemen opposite have not much to say about it. If there is one class in the community that are entitled to the benefits of electric lighting plants in their homes where they cannot be served by the hydro it is the hard-working farmers of the country, and more especially the farmers' wives. The present government is entitled to the highest credit for reducing the duties on the machinery necessary for power and lighting purposes on the farm. What are the facts in that connection? There was formerly a thirty-five per cent duty, but when we required repair parts we had to pay fifty per cent over the American price list. It was time to make a reduction of duty in that direction. Oh, the poor farmer! Hon. gentlemen opposite have been shedding tears over the state of the poor Ontario farmer, and claiming credit for the manner in which they wish to come to his relief. The hon. member for South Wellington, in his speech the other day, declared that the farmers of Ontario were thoroughly protectionist in sentiment. He made that statement in the face of the fact that the six townships in his own riding turned him down by the handsome majority of 1,709 votes, the largest Liberal majority, I believe, that was ever accorded in the history of those townships. When I hear hon. gentlemen opposite express so much solicitude about the Ontario farmer, I am reminded of the many arguments that have been advanced in this House since 7th January, which depend so greatly upon the little word "if". Let me say that "if" hon. gentlemen opposite could only shed enough tears to float themselves on to the treasury benches, the floor of this chamber would become a lake in less time than is occupied in making this statement. When we hear hon. gentlemen opposite arguing that we should impose high duities upon agricultural products in order to benefit the Canadian farmer it reminds me of the words of Thomas Carlyle respecting the corn laws of England, when he said:

> Impartial persons have to say with a sigh, that for so long back they have heard no argument for it but such as might make the angels and almost the very jackasses weep.

The arguments of hon. gentlemen are on a par with this expression. Perhaps the present moment is an opportune time to refer to a statement made during the general election by the right hon. leader of the opposition. The statement in question was that when two hundred thousand people left this country they carried with them a purchasing power in agricultural products to the value of $100,000,000. What does this mean? It means that every man, woman and child carries with them a purchasing power of $500 per capita. According to the press reports this statement, or its equivalent, was made at Wingham, Chatham, Charlottetown and Calgary, showing that the right hon. gentleman wished to give it nation-wide publicity. What are the facts? As I have already shown, in 1923 the total agricultural production of Canada was $1,342,132,000, of which $543,601,734 was exported, leaving less than $800,000,000 to feed our live stock and support our 9,000,000 people, which is not $500 per capita but less than $90 per capita. Is it possible that the truth in this case was not sufficiently high sounding to suit the right hon. gentleman's purpose, and in order to make it so he was willing to stretch the figures to over five times their breaking point? In view of such expressions on the part of these public men is it any wonder if the farmers of Canada pause and hesitate, and ask themselves the question: Must we, or can we, put any degree of confidence in these would-be champions of the farmer's cause?

Now, Sir, take that same production and that same exportation, $543,601,000 which is sent out to the markets of the world, where the price is set, and which regulates the price of the same articles at home. Knowing that, the most superficial observer ought to know it would make no difference to the price if the government put one hundred per cent duty on this class of products. You cannot through the medium of a high tariff increase the domestic price of any article of which there is a large exportable surplus. So that this whole talk about high tariff duties on farm products is a blind; and higher duties on small fruits and vegetables simply a lure to commit the Canadian farmer to sky-high protection for the benefit of another class. Small fruits and vegetables come in now under a 30 per cent duty. Is that not sufficient?

Mr. STEWART (Leeds): Does the hon. gentleman not think the producers of these fruits and vegetables ought to be fairly good judges of what they want, and how is it they are passing resolutions and sending them in to the government asking for protection?

Mr. McMILLAN: I will deal with the vegetables first. They only come into the country in any considerable quantity at a time when the Canadian farmers are not putting them on the market. In such a sectional matter as that involving small fruits and vegetables, or any other sectional matter, the interest of the great body of the people should always be the paramount consideration. Any government worthy of the name will always take a national rather than a parochial point of view, and when it comes to the matter of vegetables we are shipping more vegetables to the United States by a considerable margin than they are shipping to us. For the twelve months ending February, 1926, our exports to the United States were as follows:

Potatoes (for 12 months ended Feb., 1926)..	$3,968,893
Vegetables (for 12 months ended Feb., 1926).	5,127,808

We imported from the United States $4,709,150 worth, so there is nothing to complain of in that. I say again that doubling the tariff duty on those articles which in the main do us no good will be used as a justification to double the duty on manufactured goods, and that will have the effect of increasing the price to the farmer himself and to the general consumer of this country.

Then my hon. friends talk about raising the duty. Have we heard one of them say in all their arguments that they desire higher duties on the goods which the manufacturer requires in his business? Not at all. In that respect they are absolute free traders, in that they want everything they require at the lowest possible price; but they are human, intensely human in that when it comes to their finished product they want to get the highest price they can, even to the extent of persuading the government to jack up the tariff to such a degree that like productions from other countries will not come in and as a consequence they will have the consumers of this country entirely to themselves. That is high protection such as this country will have if we ever allow hon. gentlemen opposite to take their seats on the treasury benches, but that is what we are going to prevent. Whenever a government begins to hand out special favours to any line of industrial activity through the medium of high tariff duties, they do an injustice to those who buy those goods; those people become dissatisfied and come to the government asking them to increase the duty on their finished products, and thus the vicious circle is begun and continued by one class of producers or manufacturers handing the increase on to the other. It goes all the way round the board until it comes back to the farmer, who cannot pass on his increased cost of production because the price of his goods is set in the markets of the world. So that it is a burden on the farmer which he cannot possibly remove, and it is also a burden on the working class consumer, who is required thereby to pay more than he ought to pay for every requirement on which high duties have been levied.

If there is one class in this country more than another to which the government should give special consideration, one class more than another to which they ought to be considerate, it is those God-fearing men and women who pledge themselves to each other for life, who establish homes, who raise families and bring them up to become the best citizens of the world. Such families are usually found upon the farm and among the middle and struggling classes of our people. To that great class a system of high protection is untrue. It places an unjust burden upon every home and family in the land in the unduly high prices they have to pay for every requirement upon which high duties are levied. Never was this fact more strongly impressed on me than on November 29, 1920, in London, Ontario, when I sat for hours while three members of the late Meighen government—sworn ministers of the crown, sworn servants of the people, sworn to do justice by all the people—sat fairly courting the evidence of men representing one manufac-

turing concern after another, as they came forward pleading for higher duties upon the goods they produced—and for what purpose? Simply to enable those manufacturers to put their hands a little deeper into the pockets of the people and take from them more than they ought to take for the goods they must buy.

That, Sir, is undoubtedly what high protection does, and assuredly what many producers will be allowed to do if the present Tory party are ever allowed to take their places upon the treasury benches of the government of this country.

Mr. MULLINS: Will the hon. gentleman permit a question?

Mr. McMILLAN: Yes.

Mr. MULLINS: No doubt the hon. gentleman is a farmer. When the duty was 27½ per cent you could buy a binder in Manitoba for $150, and to-day, when the duty is 6 per cent, you are paying $258 for a binder in Manitoba.

Mr. McMILLAN: If my hon. friend would study economic conditions for a moment, he would know better. By his question he reveals the fact at once that he does not know anything about the principle of economics, otherwise he would not have asked it.

Mr. HOCKEN: What is the answer?

Mr. McMILLAN: The answer is that economic conditions to-day are not at all what they were at that time. We have heard a great deal about foreign countries imposing high tariff duties and thus preventing us from trading with them and possibly I shall have something to say about that before I conclude.

Place me in a position whereby I can take a little toll from every individual in a community and I will rapidly become wealthy. It will take all the people in the community some little time to realize that my additional wealth is obtained at their cost, that they are being robbed for my benefit. That is precisely the way in which high protection acts, and if we ever allow these people to get on to the treasury benches of this country, that is what will occur. I say again: One class above all others to which a high protective tariff is unjust is the working classes and the farmers, so that the Liberal party are fighting the cause of the common people as against the encroachments of the specially privileged interests, fighting the battle of the struggling fathers and mothers who are busily engaged in providing their families with the necessary food and raiment which ought to be given to them at the lowest possible price, and which, if this government continues to remain in power, will be given to them at the lowest possible price consistent with the revenue requirements of this country.

I have often heard it said that high tariff duties will give the artisans, the mechanics and the working classes better wages. Such is not the case; it is not borne out by the facts. I am not going to put the statements on Hansard again, but if hon. members will turn to page 329 of Hansard of the present year they will find out what the heads of labour organizations and the president of the textile trade in the United States tell us regarding conditions in the textile trades in that country of high tariffs. We are also told that we ought not to encourage the importation of foreign manufactured goods; that we should produce at home everything which can be produced at home and so to such a degree discourage international trade. No greater mistake could be made by any Canadian government.

I beg to move the adjournment of the debate.

Motion agreed to and the debate adjourned.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, April 29, 1926

The House met at three o'clock.

REPORT PRESENTED

Annual Report of the Board of Grain Commissioners for Canada for the crop year ended October 31, 1925—Mr. Robb.

PRIVATE BILLS COMMITTEE

REMISSION OF PENALTY

Mr. J. A. CLARK (Vancouver-Burrard) moved:

That subsection (c) of section (3) of rule 89 by which a penalty of $200 is imposed on private bills presented to the House after the twelfth week of the session be suspended for the present session of parliament, and that pursuant to the provisions of rule 115 this motion be referred to the select standing committee on Standing Orders for a report thereon.

Mr. ROBB: Explain.

Mr. CLARK: Briefly, the explanation is this. No private bills at this session were filed within the prescribed time. The matter was referred to the private bills committee, and that committee recommended that the

penalty of $200 be remitted. However, they overlooked this phase, that when bills are presented there is another penalty payable, and it was purely an oversight on the part of the committee not to recommend that this penalty also be remitted. I might say that those bills which have been presented might still be withdrawn and taken to the Senate and thus escape this penalty. The penalty has been withdrawn in one respect, and I suggest there is no reason why it should not also be withdrawn in the other.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BOARD OF AUDIT

Mr. GARLAND (Bow River):

1. Has the Board of Audit reported from time to time the result of the inquiries made as provided for in section 15, of the Audit Act, chapter 30, 13 and 14, George V?

2. If so, are these reports to be presented to parliament?

Hon. Mr. ROBB:

1. Yes.

2. Report on Quebec Harbour Commission was tabled last session on a motion for return. Other reports have not been moved for.

SOLDIER SETTLEMENT BOARD—LAND PURCHASES

Mr. DONNELLY:

1. For how many soldier settlers was land purchased by the Soldier Settlement Board in township 17, range 9, and townships 17, 18, 19, range 10, all west of the 1st meridian?

2. How many of the said soldiers are still on the land purchased for them?

3. What is the description of the lands which have been resold after being abandoned?

4. What price has been paid by the new purchaser in each case?

5. Is W. W. Kennedy, M.P., a member of the firm of Kennedy, Kennedy and Kennedy, of Winnipeg?

6. Was he a member of the firm when the warrants, for sale of the lands, were made payable to that firm of lawyers?

Hon. Mr. STEWART (Edmonton):

1. 48.

2. 9.

3. SW½-22-17-10-W1.
NE¼ & Pt. of SW¼-1-19-10-W1.
SW¼-9-19-10-W1.

4. $4,700.
4,500.
4,000.

5. Yes.

6. Yes.

REFORESTATION

Mr. WHITE (London):

1. What is the policy of the government in regard to reforestation?

2. Has any expenditure been made? If so, what amount?

3. Has any area been secured or set aside in any of the provinces for this work, and, if so, to what extent?

Hon. Mr. STEWART (Edmonton):

1. (a) On the forest reserves in western Canada, comprising over twenty-two million acres, administered by the federal forest service, timber is sold under conditions designed to provide reforestation by natural regeneration. This method is much more economical and, in the long run, more satisfactory than clear cutting and artificial planting. Areas which have been entirely denuded by exploitation and fire can only be re-established to forest cover by seeding or planting, but, owing to the high cost of this work and the limitations of the forestry appropriation, only experimental plantations have been made so far.

The total area so planted to date is 325 acres.

The policy of the government is to extend these forest reserves so that eventually they shall include all non-agricultural lands capable of supporting tree growth, and to provide for their maintenance in a forested condition by natural regeneration, except where entirely denuded areas demand artificial methods.

(b) For the establishment of shelter belts on the farms of the prairie provinces, the forest service has for many years operated two tree planting stations, at Indian Head and Sutherland, Saskatchewan. These stations have a capacity of five to six million trees and cuttings per year. For encouragement in planting, this stock is distributed free, except for express charges; the consideration required of the recipient is that he shall prepare and establish the plantation along definitely approved lines, and that subsequently he will give it the necessary cultivation until it is fully established.

Over a period of 25 years, a total of 80,499,455 deciduous and 1,374,418 conifers have been distributed; 75,141 plantations, aggregating 34,053 acres have been established, of which 70 per cent have been successful, 15 per cent fairly so, and 15 per cent failures due to improper treatment.

(c) In eastern Canada the forest service has no administrative responsibility on crown lands, the latter being held by the respective provinces. However, for the purpose of advancing forestry methods, the federal forest

service conducts experimental and research work relating to the regeneration of timber. In some cases this is done independently, in other cases in co-operation with the provinces or the industries.

2. The appropriation to the forest service in the last fiscal year was $1,185,000.

(a) $842,000 is spent in the protection administration and improvement of forest reserves. It is possible to segregate the proportion expended in reforestation as an entity, because the management of these lands, including fire protection, all have a bearing on reforestation.

(b) $75,600 is spent annually in operation of the tree planting division.

(c) $50,000 is spent in silvicultural research and experimental work in eastern Canada.

(d) The balance of the appropriation is absorbed: (1) Operation of the Forest Products Laboratories at Montreal and Vancouver, (132,400) these institutions carrying on research and tests on wood and wood products; (2) $233,611 is devoted to fire protection on timber lands of the west not as yet dedicated as forest reserves; and (3) numerous other activities of the forest service aimed at the promotion of forestry throughout the Dominion.

3. The federal government has full control of forestry matters in Manitoba, Saskatchewan, Alberta and the railway belt and Peace River block in British Columbia. In eastern Canada, permanent experiment stations are established as follows:

(a) Petawawa Military Reserve, Ontario, 63,360 acres; (b) Lake Edward Station, Quebec, 3,200 acres; (c) Lake Tremblant Station, Quebec, 1,500 acres; (d) Lake Kenogami Station, Quebec, 200 acres; (e) Bathurst Station, New Brunswick, 500 acres; (f) Cains River Station, New Brunswick, 200 acres; (g) Salmon River Station, New Brunswick, 400 acres; (h) Miscellaneous areas under temporary control only for limited and specific studies.

The foregoing relates to the work of the federal forest service. The provinces of British Columbia, Ontario, Quebec, New Brunswick and Nova Scotia also operate services which exercise somewhat similar functions on the lands over which they have control.

CANADIAN NATIONAL RAILWAYS—INCOME DEFICIT

Mr. CAHAN:

1. What was the net income deficit of the Canadian National Railway lines in Canada for the year ending December 31, 1925?

[Mr. C. A. Stewart.]

2. What was the net income deficit of the Canadian National Railway lines in the United States for the year ending December 31, 1925?

3. What was the net income deficit of the Central Vermont Railway for the year ending December 31, 1925?

4. What was the total income deficit for all Canadian National Railway lines, including Central Vermont Railway, for year ending December 31, 1925?

Hon. Mr. DUNNING:

1. $41,073,105.37.
2. $371,659.05.
3. $822,755.29.
4. $42,267,519.71.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXTERNAL EXPENDITURE

Mr. CHURCH:

1. What has been spent for the past eight years per annum, to maintain:—

(a) Department of External Affairs?

(b) The High Commissioner's office in England?

(c) The League of Nations, including salaries and contributions?

(d) For expenses of delegates to the League of Nations, and to whom?

(e) What salaries are now paid, and to whom for the league?

2. What was the total cost to Canada of the Wembley exhibition?

3. What sum was spent on the new site purchased, and on the building to house the High Commissioner's office in London, and what is the cost per annum for maintenance?

CANADIAN NATIONAL RAILWAYS—P.E.I. SERVICES

Mr. MACDONALD (Kings):

1. What train services were in operation on the Prince Edward Island branches of the Canadian National Railways during the month of February last between the following points: (a) Charlottetown and Borden; (b) Charlottetown and Summerside; (c) Charlottetown and Souris; (d) Mount Stewart and Georgetown; (e) Summerside and Tignish?

2. How many days were each of the above services performed on schedule time, how many days and on what dates were the trains late, and how many days and on what dates did they fail to reach their destinations, giving statement for each service respectively?

IMPORTS FROM AUSTRALIA AND NEW ZEALAND

Mr. DAVIS:

1. What quantity of the following products have been imported from Australia and New Zealand since the treaty between Canada and these two countries came into effect, and what was the total value of each of these products: beef, pork, mutton or lamb, canned meats, poultry and game, extracts of meat, lard, beeswax, eggs, cheese, butter, canned vegetables, canned fruits, comb or strained honey, fruit pulp, tallow, dried, evaporated or hydricated fruit, specifying kind?

2. Of the above importations, what amount has been cleared from Customs to date and what amount has not yet been cleared?

3. What amount of the above products have been exported from Canada to New Zealand and Australia to date since the coming into effect of the said treaty?

CUSTOMS INQUIRY

On the Orders of the Day:

Mr. THOMAS McMILLAN (South Huron): May I inquire of the Prime Minister, in view of the most damaging evidence which has come to light regarding the conduct of officials high in the public service, and more particularly the members of the Civil Service Commission of Canada, what is the attitude of the government and what steps do they intend to take in this vitally important matter?

An hon. MEMBER: Well played.

Sir HENRY DRAYTON: What about the minister?

Mr. SPEAKER: I would point out that it is against the rules to bring before the House matters which are still pending before a committee until that committee has reported to the House. Bourinot, fourth edition, page 274, is clear on the subject.

CIVIL SERVICE SALARIES REVISION

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): May I ask the Minister of Justice if the government have come to any decision in regard to the report of the Civil Service Commission on the revision of salaries which was promised some time ago?

Hon. ERNEST LAPOINTE (Minister of Justice): No decision has yet been reached.

AUTOMOBILE DUTIES

On the Orders of the Day:

Sir GEORGE PERLEY (Argenteuil): Last Friday a large deputation from Oshawa and elsewhere came to Ottawa to interview the government regarding the proposed changes in the tariff on motor cars. Speaking to this delegation the Prime Minister is reported as follows—I quote from the Ottawa Citizen of April 24th:

> He assured that delegation, however, that the government had obtained expert advice before making the reduction and that the most careful consideration was given to the matter. It was not an impulsive act, he said.

In view of the great interest taken in this question throughout the country, I think it would be very helpful if the Prime Minister would make known the name of this expert and would lay on the table of the House all papers and documents connected with such consultation and advice. I would ask the right hon. gentleman if he will do this.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in answer to my hon. friend I would say that, as he is aware, there are in the departments of the government members of the permanent service who have over a period of years given a great deal of attention to, and are regarded as experts upon, tariff questions. One gentleman in particular, Mr. Russell, of the Department of Finance, is not only an expert adviser to this government, but was also an adviser of previous governments, and he has had perhaps a larger experience in tariff matters than any other individual in Canada. He is one of the officers I had in my mind when I told the delegation the other day that the matter had been carefully gone into by advisers. Mr. Russell has had conferences, I understand, with officers of the Department of Customs and of the Department of Trade and Commerce with relation to the many bearings of the tariff upon motors in this and in other countries. I am not in a position to say what documents or data he may have in his possession; I would have to ask my colleague, the Minister of Finance (Mr. Robb) about that, but what I did say to the delegation, and what I would like to repeat here, is that not only this year, but last year, when the subject was discussed in the House, the government undertook at that time to have its officers look into the question of the duties on motor cars, and a considerable amount of data and opinion has been gathered in the interval. That is what I had in mind when I referred to the matter.

Sir GEORGE PERLEY: Would the right hon. gentleman be willing to bring down any papers there may be without my having to ask for them on the order paper in the usual way?

Mr. MACKENZIE KING: As I said a moment ago, I would have to leave to my colleague the Minister of Finance the decision on that point.

RULES OF THE HOUSE

On the Orders of the Day:

Mr. A. L. BEAUBIEN (Provencher): In view of the fact that a committee was appointed last year to study the rules of the House with a view to revising them, and that the committee brought in its report in the dying days of the session, may I ask the government if it is the intention to appoint a committee again this year to make a study of that report with the same end in view?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I would say to my hon. friend that the government has thought of having a conference between the leaders of the different groups in the House as to the

advisability of reconstituting this session a committee to deal with the matter of the rules of the House. Naturally we are not anxious to prolong the work of the session. but the government is of the opinion that it would perhaps help to shorten matters materially if the rules of the House were amended in accordance with some of the recommendations of the committee of last year The committee would have to be reconstituted to permit of action being taken on a report by the present parliament. When my right hon. friend is again in his seat I shall have a word with him concerning the possibility of agreement upon reconstituting the committee with a possible change of personnel.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, April 28, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, when the House adjourned at six o'clock last evening I was in the act of saying that our Conservative friends tell us we should not encourage the importation of foreign manufactured goods, that we should produce at home everything which possibly can be produced at home, and so to such a degree discourage international trade. In my humble opinion no greater mistake could be made by any Canadian government. If there is one particular in which this government is entitled to the highest praise, it is its wonderful success in the healthy development of international trade, whereby it demonstrates its faith in the fundamental principles of true economics, namely, that in order successfully to build up markets abroad for our constantly growing surplus of Canadian production of every kind we must also be prepared to accept goods in return. It is a well know fact that high tariff duties will prevent international trade, and thus kill the opportunity for return cargoes, which must be encouraged to obtain reasonably low ocean freights. The hon. member for Fort William (Mr. Manion) told us the other day that other countries of the world were imposing very much higher tariff duties, and in this way shutting us out of their markets. His statements are not borne out by the facts. When the hon. gentleman spoke the other day he quoted from a report published in 1924, although in saying that I speak subject to correction. Is he not living in the realms of antiquity! May I recall for his benefit the words of Thomas Carlyle when he said:

> The race for life has become intense. The runners are treading on each others' heels. Woe be unto him who stops to tie his shoelaces.

So that while my hon. friend has been tying his shoelaces he has taken too long to do it, and the world is going ahead. While the report from which the hon. gentleman quoted, according to my understanding, was published in 1924—

Mr. MANION: No, 1925.

Mr. McMILLAN: —may I read from a report, which I think is the latest authentic publication extant, the report of the Trade Commission, under the chairmanship of Sir Arthur Balfour, presented to the Baldwin government in June, 1925?

Mr. MANION: The report from which I read was published in 1925 also.

Mr. McMILLAN: While it is a fact that at the close of the war foreign countries, more particularly the countries of Europe, did impose high tariff duties, they are beginning to realize the mistake they made by so doing:

> The political settlement following the war nearly doubled the number of independent customs administrations in central and eastern Europe, and also that the administration of restrictions has been largely in the hands of comparatively new and inexperienced authorities; the burden thus imposed on trade will be readily imagined.
>
> Nor is it necessary for us to pronounce any opinion on the justification or efficiency of the measures taken during a period of abnormal crisis.

The report goes on to say:

> We therefore rejoice to note that there is now a tendency to recognize the evil effects of customs prohibitions as an instrument of fiscal policy, and to reduce the number of such prohibitions towards the minimum necessary to ensure public security, health and morals, and other objects of essential national importance. Since the latter part of 1923 great progress has been made in Czechoslovakia in removing restrictions, and that Hungary removed all her import restrictions at the beginning of 1925. The intention of Germany to sweep away the greater part of her prohibitions is expressed in the recent Anglo-German treaty. In France, Italy, Poland, and a number of other foreign states few obstacles at present remain to British trade arising from import prohibitions.

And then the report makes this statement:

> The conclusion emerges that, taken as a whole, the ad valorem incidence of overseas tariffs on British goods has slightly declined since 1914.

Then again:

> The board of trade calculation brings out clearly the remarkable fact that the main increases of tariff rates

on British exports have been within the British Empire, where the average ad valorem incidence has risen, by nearly two-thirds, while in foreign countries, despite the great increase in the United States tariff, the average ad valorem incident has decreased by one-fifth, the net result, on balance, being a slight decline, as stated above.

The figures speak for themselves, and may I also say that aided by the hand of a beneficent Providence, and under the wise direction of the King government, fortified as it is by such a noble band of true and loyal supporters, not only to my right but behind the government, Canada's international trade will not refuse to grow. This is shown by the following figures: During the four years since this government assumed the reins of power our entire foreign trade has risen from $1,501,000,000 in 1921-22 to over $2,255,000,000 for the year ending March 31 last, or an increase during those four years under the present government of over $750,000,000. Furthermore we have the very favourable condition that exists to-day, a favourable trade balance of over $401,000,000, and what is still better, our Canadian dollar is away above par on the New York exchange. Consider this present condition of Canadian trade with what it was during the last full year of the Meighen government when we had an unfavourable trade balance of over $29,000,000, and the Canadian dollar was worth only eighty-five cents on the New York exchange.

We have heard a great deal from hon. members across the way regarding the unpatriotic and most radical expressions which emanate from our friends of the Progressive party. I have no brief for the Progressive members but I resent any insinuations that the opinions which they have expressed in this House will not tend in the highest degree towards the progress and betterment of this country. These men from the west—both Liberal and Progressives—as well as my hon. friends further to my left, represent the very soul of honour, and they have shown us that they have the highest and truest interests of this country at heart. No wonder when our friends of the Progressive party had a chance to come in and view the situation, and when they saw the band of men over here behind such a leader, they said: "There are the kind of fellows we want to co-operate with."

This question of international trade has become a burning problem in the United States of America. Many writers and economists there are beginning to ask how long a nation can continue to sell goods abroad without making purchases. The majority opinion is insistent that gold cannot be piled up indefinitely, and that pay must be taken in goods if the foreign trade of the country is to be maintained. As the situation in the United States stands to-day, it is only a question of time when they must radically change their present policy of high protection. They are faced with the necessity of holding their foreign trade markets and also with the greater difficulty of safeguarding some $9,500,000,000 invested in other countries, the payment of which can only be effectively secured through the medium of returning trade. The American government to-day is now spending over $3,500,000 annually to retain those foreign trade markets, and even at that it finds those markets slipping away. In view of the following facts:

1. That the American government will be compelled to open her markets to foreign goods, and materially modify her international trade policy in order to safeguard her enormous investments abroad.

2. That her people need and will continue to need in greater quantity much of our Canadian surplus of agricultural productions.

3. That freedom to that great consuming population with so many wealthy people would open the world's best market right at our own door.

4. That it would be a real solution of our economic maritime difficulties.

5. The fact that in the face of the high tariff walls now existing between these two countries, over $1,070,000,000 worth of trade out of our entire foreign trade of $2,255,000,000 is now done with the American people shows: first, that the people of both countries are desirous of encouraging further mutually beneficial trade, and second, it shows the power of natural trade laws, which is an indication of the only rational trade policy. Therefore, I urge the government to do everything in reason to cultivate the most friendly relations with the American government, with a view to arranging for favourable trade relations between the two countries whenever the opportunity may afford; and to that end, the Canadian government should have its trade representative in Washington. I urge this the more because in 1911 the United States government passed an act giving to Canada reciprocal trade in cattle, and a nominal tax of one-quarter cent per pound of beef. That provision remained in force for eleven years. In 1915 congress put cattle and beef on the free list, giving our Canadian farmers the benefit of that great open market. At the same time they placed wheat, flour, and potatoes on the tentative free list. Canada during those years never showed any apprecia-

tion, but kept an ad valorem duty of 25 per cent against American cattle and three cents a pound against American beef. After such treatment the American government quite naturally withdrew the provision. Of course Canada had then a Conservative government in power.

In the case of such an arrangement as I have indicated, care must be taken—and this government deserves credit for having taken every precaution—to preserve the health of Canadian herds. The department must also be ready to grapple with any destructive pests and to prevent them getting a foothold through importations. Consider the destruction the corn borer has wrought because precautions were not taken in time. There is also the bean weavil, and other pests, and it is the urgent duty of the government to go the limit, if need be, even to place an embargo on any foreign importations which might endanger the health and success of this profitable and most desirable crop.

The more we study the problem of Canadian agriculture and the vital necessity of placing and maintaining on the land a sufficient farm population, the more do we realize that the problem is basic and all-important to the progress and development of the nation. Although it may seem almost chimerical, yet what is needed in this country is such a readjustment of national ideas, as will place agriculture and its claims to the best intelligence and the highest skill of our people in the very forefront of national thought; and when this re-awakening is sufficiently emphatic, there will then be no more hastening away from the farm, but rather such a just conception of agriculture as our main resource and our most dignified and independent vocation as will attract to its just aim in the improvement of methods, the increase of yields and the clearing away of the unjust economic obstructions which lie across its path, the wisdom and the science and the willing hands of millions who may then obtain a just remuneration for their labour, and also be able to hand on to posterity an unimpaired inheritance.

Mr. H. C. HOCKEN (Toronto West Centre): Before dealing with the budget—

Mr. J. L. BROWN (Lisgar): The remark I would address to the House—

Mr. SPEAKER: I saw the hon. member for Toronto West Centre first.

Mr. HOCKEN: Before proceeding to discuss the budget, I would like to make a few observations in reply to my hon. friend from South Huron (Mr. McMillan). I think I should in the first place congratulate him upon having the opportunity to make the speech he has delivered to us in this House. He is entitled to great credit for his perseverance over a period of ten years to enable him to enjoy this opportunity, and, possessing that Scottish quality of determination that we all admire, he finds himself to-day able to say things which are to me reminiscent of discussions I have heard in the general store at Seaforth. I consider the hon. gentleman in a class by himself in this House. He is a hard-boiled free trader, pretty nearly the only one in the House.

Mr. McMILLAN: Allow me to say that under present conditions it is quite impossible to have free trade in Canada.

Mr. HOCKEN: That does not alter my characterization of the hon. gentleman. He is a hard-boiled free trader, and if conditions in this country permitted it, we would have absolute free trade if my hon. friend had his way. Is that right? Silence gives consent.

Mr. McMILLAN: Would the hon. member like me to answer?

Mr. HOCKEN: Yes.

Mr. McMILLAN: If the hon. gentleman will only turn up the records of parliament when a certain large deputation waited on the government of Canada in December, 1911, when Sir Wilfrid Laurier was Prime Minister, he will notice that when we asked for reductions in duties we said also that we were willing to resort to direct taxation, if necessary, in order to meet any reductions which we called for. Might I also say that I believe I was the first man to mention that at that convention?

Mr. HOCKEN: That does not alter my statement. Absolute free trade is the goal to which my hon. friend proceeds. As for direct taxation, I observe that now that we have direct taxation by this government, the particular class to which my hon. friend belongs is not notable for the contribution that it makes in the way of direct taxation.

Mr. McMILLAN: I am only sorry that it is so.

Mr. HOCKEN: What taxes his class pays are paid through the tariff, and if we remove the tariff, it would pay nothing at all.

Mr. McMILLAN: Oh no.

Mr. HOCKEN: I admire the courage of my hon. friend. He impresses me as being a man of convictions, and having the courage to stand up and declare those convictions

much more freely and definitely than most men holding his views. I am always able to get along with a man who has convictions, and who will stand by them. It is the wobbler with whom it is hard to get along. My hon. friend charged this party with insincerity and I will deal with that a little later on.

He quoted Mr. Henry Ford as an advocate of free trade. Mr. Henry Ford has made about two billion dollars under protection; he has put himself into a position of financial strength that enables him now to say: I can make machines under free trade and I believe there ought to be free trade. He would do now what the British people did. In Great Britain they had protection until their industrial supremacy was established, and when that time arrived they said: Now let us have free trade. That is exactly the position of Mr. Ford to-day. I do not think a man who has made two billion dollars under a protective policy is one who can be quoted favourably as an advocate of free trade. I would ask my hon. friend: What did free trade do for the farmers of Britain? Is British agriculture in a state of prosperity to-day? Has it been in a state of prosperity for forty years?

Mr. McMILLAN: That cannot be answered in a word. The British farmers have been able to show to the world what we ought to do in regard to live stock production and they are not dependent on their own production of agricultural foodstuffs. For twenty years I went back and forth and I am conversant with conditions in Great Britain. The best farmers there are doing as I have been doing all my life. They have never been selling one cent's worth of agricultural produce, unless it is a little wheat. In addition to what they grow they are buying largely of foodstuffs from foreign lands and feeding animals on their own farms, in this way building up agriculture to the highest possible extent. The British farmers to-day are able to show to the world that they can lead the world, more particularly in live stock production.

Mr. HOCKEN: I think I ought to remind the hon. member that we are not in the corner store in the town of Seaforth and a discussion in parliament is conducted in a somewhat different manner. The fact however remains that about forty per cent of British land capable of being tilled is in grass, and there can be no doubt that the agricultural industry in Britain is, and has been for forty years past, greatly depressed. If free trade is good for the farmers in Canada, why is it not good for the farmers in Great Britain? The farmers of the United States are more prosperous in that most highly protected country in the world than the farmers of Great Britain. Those who argue in favour of free trade for the farmers ought to cast their minds a little further than the horizon bounded by the county of Huron. Let them look over the world and find out where the farmer is prosperous; let them view the tariff conditions under which those farmers live, and I submit it will be found that the most prosperous farmers are to be found in protectionist countries.

I was sorry to hear my hon. friend belittle the fruit and vegetable grower, who is a land holder of small dimensions but who is one who works harder than any farmer in the west, harder than most farmers in the east. The only way in which a man can make a living on a fruit and vegetable farm is by bending his back and cultivating every inch of his land. These men are maintaining families on ten and twenty acres. You can go through all the older part of Ontario and you will find fruit and vegetable growers with ten to twenty acres, maintaining as many people on that acreage as are to be found on 200-acre farms in other parts of the province or in the west. Surely that man, who works not part of the year but every day of the year and who maintains his family on a small acreage, is entitled to just as much, if not a little more, credit than the man who has a large area of land to cultivate.

My hon. friend became quite eloquent in discussing the burdens that are placed upon the poor working people of the towns and cities by a protective policy. How does he account for the fact that about ninety per cent of these poor working people, these poor mechanics and others with their little homes and families, voted for a protective tariff on the 29th October last? Throughout all industrial Canada with the exception of Quebec—and conditions there were somewhat peculiar, because the policy voted upon in that province was not the fiscal policy of the country at all—the issue was the tariff. In the province of Quebec the issue was conscription. In Manitoba, in the Maritimes, in Ontario and in British Columbia the issue was the tariff, and in every industrial centre the people voted strongly for the policy of my right hon. leader (Mr. Meighen). If, therefore, the poor people for whom my hon. friend is so highly concerned know what is best for themselves, it is quite clear that they believe in the policy of protection. My hon. friend may talk free trade in this House, as Michael Clark of Red Deer, did, session in and session out, and he will make no impression upon the

government nor upon the country. The people who have the intelligence to see the situation in which we are placed, alongside a highly protected nation competing with us in so many things, will agree that the protective policy is necessary for Canada.

The budget has evidently been prepared for the purpose of impressing the public of Canada with the idea that this country is prosperous, and that it was prosperous last year. A substantial reduction is made in taxation, and it is attributed by the government, through the Minister of Finance (Mr. Robb), to the increased prosperity that prevailed in the year 1925. I maintain, however, that the country is not prosperous; it was not prosperous last year nor the year before, and it is not prosperous to-day. But to make my point I will take the figures of the railways. There is no better barometer of trade than the railways; if trade is good traffic is good, and if traffic is good the railways are prosperous. I find, as I have discovered myself, that business depression has reflected in the railway reports was more severe in 1925 than in 1924, and I take the ground that the relief in taxation afforded by this budget is by no means equal to the extra burdens put upon the people of the country by the government.

I take the report of the Canadian Pacific Railway and from it I quote the following:

> The gross earnings for the year increased $853,849 over those of the previous year. Working expenses, however, decreased $2,073,684, resulting in net earnings, before deducting fixed charges, of $40,154,775.

The report goes on to say:

> The relatively small increase in gross earnings is largely accounted for by the depression which existed in Canada during the first part of the year, the effects of which in general traffic were only overcome by the excellent harvest, to which is largely due an increase of $10,354,946 in the gross earnings during the last half of the year over the corresponding period of 1924.

But for the abundant harvest, therefore, the earnings of Canadian Pacific Railway would have been $10,000,000 less than the year previous. If that is an evidence of prosperity I should like to have it explained to me by some member who has a keener mind than I possess. It is to my mind absolute proof that the year 1925 was not equal to that of 1924. The same report goes on to say:

4 p.m.

> From a shipping standpoint the year 1925 . . . . was perhaps the worst of which there is record, and the result of the operations of your Atlantic and Pacific fleets were unsatisfactory, particularly in passenger revenue. The number of immigrants carried by all lines was less by over 40,000 than in 1924. Notwithstanding a decrease in expenses of $706,951 the net earnings from all traffic were substantially less than those of the previous year.

[Mr. Hocken.]

So that the opinion of this great railway company, upon whose board there are some of the ablest businessmen in Canada, is that the year 1925 was much less prosperous than the year 1924. I notice from the report that the grain traffic carried by the Canadian Pacific Railway in 1925 was 263,000,000 bushels or 31,000,000 bushels more than in 1924.

I will admit that agriculture was more prosperous in Canada in 1925 than in 1924, but the fact is that general business suffered more serious depression. And that fact is borne out by the railway figures.

I take the Canadian National Railway report in which some interesting disclosures are made. For example, I find the following statement:

> The results for 1925 may be regarded as generally satisfactory and were due to a combination of increased gross earnings and decreased expenses. From January to June inclusive, the gross earnings in 1925 were less than for the corresponding months in 1924. The movement of the large western crop made itself felt towards the end of the year with a consequent increase in gross revenue of 3.9 per cent for the year. In the face of the decreased business which obtained during the greater part of 1925, every effort in the direction of economy was put forth and maintained throughout the whole of the year. These efforts resulted in a decrease in expenses for the year of $5,637,143.25.

So that it was due to the efficient management of the Canadian National Railways that the showing was so favourable this year. I find in the same report that the Dominion government's estimate for all grains in the Canadian grain crop for the calendar year 1925 was 1,126,113,000 bushels or an increase of 33.5 per cent in the crop. In other words, the farmers of Canada in 1925 had 375,371,034 bushels more than in 1924. That includes all grains, and it is fair to assume that on the average the grain crop would run about $1 per bushel. We may therefore fairly estimate that $300,000,000 was earned by the farmers of Canada last year in excess of the year before. Yet the railways in their general traffic did not do nearly so well as they did in the previous year. The report of the Canadian National Railways makes this statement: The grain movement to the head of the lakes was increased by 9.9 per cent, and in addition to that 9,000,000 bushels were shipped out at Vancouver. It will be found that this movement of grain accounts for all the increase that was enjoyed by the two great railway systems of the country. My argument, therefore, is that the traffic arising from sources other than the carriage of farm products was substantially less in 1925 than in the year before, so that in consequence we had a greater degree of general business de-

pression last year. Take the passenger earnings of the railways. The passenger earnings of the Canadian National Railways decreased by $615,516. The number of passengers carried by the Canadian National Railway system last year showed a decrease of 1,032,641, or 4.5 per cent.

We all rejoice in the growing prosperity of our national railway system, but the credit for this belongs—I do not think the government will be bold enough to claim it—to the efficiency of the management and to the loyalty of the 95,000 employees. This efficiency is indicated by the fact that with an increase of $9,000,000 in gross earnings—all from the abundant harvest—there was a decrease of $6,000,000 in operating cost.

I should like to draw the attention of the House to the fact that the depression in general traffic resulted in a decrease last year of slightly over 3,000 employees on the Canadian National Railways and of 1,500 on the Canadian Pacific Railway. So that railway employees to the number of 4,500 lost their positions, or, if not, they worked half or part time. When 4,500 men connected with these two great railway enterprises, employing in the case of the Canadian National 98,000 men and, I presume, a proportionate number for the smaller mileage of the Canadian Pacific, are without work for a year, or are working only half time, it cannot be argued that this country is in a prosperous condition.

But, Sir, I think of all Canadians my right hon. leader (Mr. Meighen) should rejoice most over the prosperity of the Canadian National Railways. As was pointed out by my hon. friend from South Wellington (Mr. Guthrie), the right hon. gentleman had a desperate fight before he succeeded in merging the Grand Trunk and the Canadian Northern into one great national railway system. He was not assisted by hon. gentlemen opposite. I sat in the House during that period and I know the pessimism that prevailed among the Liberal party with regard to the future of the Canadian National Railways, and that pessimism has continued almost down to the present day. But in spite of all the opposition which he encountered the right hon. leader of this party perservered in his efforts and succeeded in establishing this great railway enterprise—a railway system run by the people and for the people. To-day, Sir, we see it rapidly approaching the time when, as he predicted, it will meet all its fixed charges, and become a valuable asset. Indeed, a prominent railway man has stated that it will be an asset equivalent in value to paying off our national debt.

Mr. Speaker, let me discuss for a moment or two the decrease in taxation. We are told that during the past fiscal year there was an increase in revenue of $29,965,000, in consequence of which the Minister of Finance is relieving the country of $25,000,000 taxation—entirely by reducing the income tax. But I should like to point out to the House that the collections of excise taxes last year amounted to $85,000,000. There are no reductions in those taxes. On the contrary, the sales tax was raised from 3 per cent to 6 per cent by the present government, and afterwards reduced to 5 per cent—at which figure it still stands—as against 3 per cent under the government supported by the Conservative party. That means the government since 1921 has added 40 per cent to our excise taxes. That percentage of $85,000,000 represents $34,000,000. So while the administration say, "We are reducing your taxes by $25,000,000," they stand convicted of having raised the taxes of the people to the extent of $34,000,000, or if we take their estimated figures for the fiscal year ending March 31, 1927, $95,000,000, they will collect an additional $38,000,000 of taxation during this period. And yet they ask for the applause of the people. Well, they are not much entitled to it.

An hon. MEMBER: They are getting it.

Mr. HOCKEN: I doubt that very much. A government which increases taxation by $39,000,000, and then comes seeking credit for a reduction of $25,000,000, is surely not in a strong position to ask for the thanks of the heavily burdened taxpayers of this country. What the government should have done in addition to decreasing the income tax—and that is something for which the country has been clamouring for a long time as being long overdue—was to cut off that 40 per cent of excise taxes. Then we would have had our taxes approximating very close to those which were collected by the Conservative government. The present administration put on the receipt tax and took it off, and then said, "What a good boy am I!" And that tax was entirely a tax imposed by this government. The cheque tax was added to enormously. Originally under the preceding government it was two cents on all cheques; under this government it is two cents on every fifty dollars. Therefore I submit that the excise tax collected last year was 40 per cent in excess of the sales tax collected in 1921.

I go further, Mr. Speaker, I say that of all taxes collected the most burdensome is the sales tax. It is felt most heavily by the consumer, it is felt in every home, and when it is

finally paid it comes close to a 10 per cent tax on many of the necessaries of life. It is a more grievous tax to bear than the income tax—which does not touch the average home—or the tariff tax, which if it falls at all on the people at least gives them in return steady employment; and without steady employment, even if one had no taxes to pay he would still be poor indeed. So that the tax felt most seriously by the people is the sales tax, which this government has increased to an extent equivalent to an increased collection of $38,000,000. So I do not give them very much credit for that.

Now, Mr. Speaker, the government is evidently expecting a great deal of gratitude from the people for reducing the taxes on automobiles. My friends to the left have been charged with forcing the government to make that reduction. For myself, I do not think that is the case. The Progressive party made its arrangement with the government at the beginning of the session, and the programme brought down in the Speech from the Throne is the programme which the Progressives insisted upon as being necessary to gain their support. But in connection with this reduction in motor duties something happened. There was some other influence brought to bear upon the government, or else the government was simply dealing with those constituencies in which motor factories existed in a fashion that was called by one of that party at one time "cold justice," or, in other words, getting even with them. I think my hon. friends to my left see the wisdom, and the fairness, of the amendment introduced by my hon. friend from Fort William (Mr. Manion). His amendment says that before this reduction is made it should be submitted to the Tariff Advisory Board. That is a board of so-called experts, and if they are not experts, they can get expert help.

Mr. EVANS: Why not submit it to the tariff commission of 1920?

Mr. HOCKEN: I would hardly expect this government to submit it to any body but one of its own creation. They would not submit it to the tariff board of 1920 surely; they would not have confidence in them. Apparently they have no confidence in their own board either. They have appointed three men of some eminence in the country, but they have not sufficient confidence in them to submit to them this very first tariff change that comes up for settlement. In the Speech from the Throne there is a direct statement that there would be no reduction in duties, nor interference with the tariff, until the board of experts had considered each proposed change and made their recommendations. But only a few days afterwards, comparatively speaking, the government go back on their promises and make a cut in the automobile duties the effect of which neither they, their experts, nor any other person can know without a most exhaustive and expert investigation—a cut that, in my opinion, is calculated seriously to impair one of the basic industries of this country. I submit to my friends of the Progressive party that a fair position for them to take is that this question of the duties on motor cars should be submitted to that tariff board. That is all that is being asked in the amendment moved by the hon. member for Fort William. That is not only fair, Mr. Speaker, but that is the record on which my hon. friends of the Progressive party rest to-day.

Mr. EVANS: That will come for the next cut.

Mr. HOCKEN: My hon. friend says that that will come for the next cut. If they can stand for this cut, why will they not stand for the next cut without reference to the tariff board? Why will they not stand for every cut? Is my hon. friend expecting any more cuts?

Mr. EVANS: Sure.

Mr. HOCKEN: What on?

Mr. EVANS: Automobiles.

Mr. HOCKEN: After automobiles, what next?

Mr. EVANS: Boots and shoes.

Mr. HOCKEN: And then what?

Mr. EVANS: You want to know too much.

Mr. HOCKEN: If my hon. friend knows what is going to happen, I would like him to tell me. He says the first cut is on automobiles, then there is to be a cut on boots and shoes, and then when I press him he says: I will not give the rest away. What the government is going to do in regard to other industries he is going to keep concealed in his mind.

Mr. EVANS: The government know.

Mr. HOCKEN: I would say that on this question my hon. friend ought to be one of the best posted men in the House, because he has given great consideration to tariff reduction, and he ought to be in touch, if not directly, at all events through his leader, with the tariff intentions of the party to which he is for the moment giving his support.

We stand to-day, Mr. Speaker, in the position where a great industry in this country, an industry with ramifications through all our commerce, is threatened with serious impairment, and it is threatened without investigation, without taking expert advice, and absolutely contrary to the pledges of the government as contained in the Speech from the Throne.

Just here, Mr. Speaker, I would like to reply to the remark of my hon. friend from South Huron (Mr. McMillan), who charged this party with insincerity. Whatever faults we may have on this side, and I am free to confess that we are not quite perfect, we can claim this, at least, that our leader and his followers are sincere in the policies which they present to this House, and they have been all through their existence. What is the record of my hon. friends opposite? I am going to sketch it, Mr. Speaker, for the information of my hon. friend for South Huron. They adopted a platform in 1919 in which the party pledged itself to lower duties. They went to the country in 1921, and they sent their agents among the manufacturers, and told their candidates that they could assure the manufacturers that the duties would not be lowered. First they pledged themselves to the country to reduce duties, and then they go to the men affected and say: We will not reduce the duty. Then they come into this House and sit during two sessions and keep their pledges, not to the country—they break their pledges to the country—but they keep their pledges to the manufacturers. There follows another session, and then comes reduction of duty. They pledge themselves to the country to reduce duties, and they pledge themselves to the manufacturers not to reduce duties. Then they come into the House and they do reduce duties. If my hon. friends can find anything like sincerity in such conduct as that, I am at a loss to understand their mentality. We had the hon. member for St. Lawrence-St. George, Mr. Marler, in the last parliament stand up in this House and declare that he had been authorized by the leaders of the party to tell the manufacturers in his riding that the duties would not be lowered, and he protested most vehemently in this House against the reduction of duties made in the first budget of my hon. friend the present Minister of Finance (Mr. Robb). If that is not insincerity, what is? If that is not a wobbling course, what is a wobbling course? Then we come to this session, and in the Speech from the Throne the government says to the people of this country, to the manufacturers as well as to all others: Before any reduction in duties is made, the question of each industry shall be submitted to an expert Tariff Advisory Board. But scarcely is the ink dry on the document containing that pledge, before the government brings down a reduction of duties without submitting it to the tariff board. No such insincerity as this, Mr. Speaker, has ever marked the course of any government, or of any party, since confederation. The government stands convicted by the record, by the statements of their own members, and by their legislation, as a government in which sincerity has no place whatever.

I want particularly to say a few words in behalf of an industry that is making a losing fight for existence in this country. Three years ago I brought before the House this question of protection for the magazine and periodical publishers in Canada, not merely for their sake, Mr. Speaker, but for the sake of Canada, for the sake of the young men and the young women of Canada, to prevent the denationalizing of the spirit of Canada. The late Minister of Finance, Mr. Fielding, stood in his place in this House and gave his approval to the suggestions that I then made, but nothing was done. I have brought this question before the House since, but without having any relief given to this industry. A large deputation of men representing this industry came down to Ottawa this session, but they could not get a hearing, so that the government stand to-day with regard to this industry as treating it as one that is of no consequence in Canada.

Mr. ROBB: Will my hon. friend allow me to put a question? Does he say that a deputation came here and could not get a hearing?

Mr. HOCKEN: That is my information.

Mr. ROBB: Who is the informant?

Mr. HOCKEN: I can give the minister the names of the deputation. They could not get a hearing before the budget was brought down.

Mr. ROBB: Will my hon. friend allow me to make this statement. I recall that there were two gentlemen who, I am told, represented they were lobbyists paid to bring this matter to the attention of the government, and who camped on the doorsteps of ministers; but at no time has any delegation been refused a hearing by this government that I know of.

Mr. EDWARDS (Frontenac): Who were the lobbyists?

Mr. ROBB: My hon. friend is altogether too inquisitive.

Mr. EDWARDS (Frontenac): I do not think that I am. The minister asked the hon. member who is speaking to give the names of certain persons. I am no more inquisitive than the hon. minister; my question was just as pertinent as his.

Mr. HOCKEN: The statement made is:

> We tried to make arrangements with the Prime Minister and the Minister of Finance to bring a delegation down composed of representatives of such national bodies as the Canadian Authors Association, the Canadian Clubs, the I.O.D.E., National Council of Women, Pulp and Paper Association, Ink Makers Association, Engravers Association, Typographical Unions, Canadian Manufacturers Association, Associated Boards of Trade, Association of Canadian advertisers, etc.
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> The above mentioned ministers could not give us an appointment until after the budget was down.

I propose to show the volume of American periodicals coming into this country and it is simply staggering. That volume has increased from $881,621 in 1912 to $2,776,885 in 1924 and 1925, an increase of 200 per cent in a period of thirteen years. There are over 300 of these publications coming into this country free, and there are over 20,000,000 copies of American made magazines and periodicals entering Canada every year. There are over 20,000,000 copies of twenty-five different publications coming into Canada yearly, while the total circulation of American magazines in this country is over 40,000,000. For every single Canadian magazine purchased in Canada there are eight copies of American magazines purchased. In addition to that, from fifteen to twenty million copies of week-end papers, and of daily papers, published in the United States are coming into this country with all the influence of Americanism which they can exercise. I will give you the Canadian circulation of one paper, a very salacious one. The Buffalo Times circulates 1,460,264 copies in this country every year. I have before me a piece of advertising from that publication which is of the most suggestive and dangerous character. It advertises that it is telling the story of the Princess Chimay and the Hungarian gypsy musician Rigo, with respect to whom an international scandal prevailed for years. This scandal, in all its nauseating details, is told by the gypsy musician himself. Is that the kind of stuff we ought to have in Canada? We are told that obscene literature can be rejected by the customs. Still, that paper is not barred, and there can hardly be anything worse than the gypsy Rigo story in the Sunday Times.

This tremendous importation of American magazines makes it impossible for Canadian magazines to live. One after another they

are going out of existence and leaving the entire field to American publications. My information, and it comes from an authentic source, is that the Curtis Publishing Company of Philadelphia has opened six branches in Canada lately for promoting the sale of their Saturday Evening Post and their Ladies' Home Journal, and their objective is 500,000 copies of the former magazine every week. That is the objective of the Curtis Publishing Company, and that magazine comes into the country free. It comes in by reason of a conflict of two items in the customs tariff. But it is within the power of this government to cancel one of these items—item 184—and that would leave them in a position to collect 25 per cent duty on that magazine. I have a list here, a copy of which I presume is in the possession of other hon. members, of twenty-five different publications. One of these circulates 145,000 copies a month in Canada, another 113,000, the Saturday Post 101,000 weekly, the Cosmopolitan 69,000, the True Story—one of the most salacious of all the American magazines—90,000, the total being 1,002,000 copies. That is the kind of material coming into Canada without paying duty.

The Saturday Evening Post is a publication of 226 pages of which 40 per cent is reading and 60 per cent advertising matter. If that 60 per cent of this particular publication were sent in without the reading matter it would pay a tax, under our tariff, of fifteen cents a pound, but because it is mixed up with a certain amount of literary matter it is allowed to come in free. It is within the power of the Minister of Customs, with the consent of the government, to remedy this thing to-day, or to-morrow, by making an amendment to the customs tariff eliminating item 184.

Mr. STEWART (Edmonton): Would it carry the same weight then as the advertising matter?

Mr. HOCKEN: Yes, it would carry more. Let me read item 169, of the customs tariff to the following effect:

> Books, namely: novels or works of fiction, or literature of a similar character, unbound or paper-bound or in sheets, but not to include Christmas annuals. . . . British preferential tariff, fifteen cents a pound; intermediate tariff 22½ cents a pound; general tariff 25 cents a pound.

That is the item under which this stuff should be imported, but it is not. It is classified under item 184 of the tariff which reads this way:

> Newspapers, and quarterly, monthly and semi-monthly magazines, and weekly literary papers, unbound. . . . . free

All that is necessary for this government to do is to wipe out item 184, which in any case absolutely contradicts item 169. The last named item says there shall be a duty on these things; item 184 says there shall not be any duty. But in order to make item 184 apply the Minister of Customs has to say that that book is not bound. Now that book is bound, but the Department of Customs says it is not bound. If they said it was bound they would have to pay a tariff of 25 per cent. It is bound as much as a great majority of magazines published in this or in any other country are bound. In my judgment it is a bound book, and should come in as a bound book, but the tariff under which it comes in says that if it is unbound it will come in free, and an arbitrary ruling of the department which has been in existence for many years makes it possible for the American publisher to flood this country with his work, to the detriment, not merely of the public, but of the men who turn out these magazines, of the workmen engaged in the work, and, more than anything else, of the people of Canada who are being Americanized by their reading matter more than by any other or all other influences put together.

But I was going to explain why Canadian publishers cannot compete. In the first place here is a magazine of 262 pages. Every cent of overhead cost in the production of that magazine is paid for by the American circulation. There is a cover that will cost them $1,000 to begin with. Then there are all the editorial expenses, the payment of the writers, all the cost of ilustration, of making plates and all that goes into the preparation of the magazine. This copy coming into Canada does not bear one fraction of a cent of all that cost. It is all borne by the two million circulation in the United States. This is the by-product of a great magazine factory. All the cost they are put to is the paper and the printing that is put in the magazine. The advertiser who pays $7,000 a page for his announcement makes up the difference between the actual cost of the paper and the price for which it is sold in Canada. How can a Canadian magazine compete with that? The publisher here has to pay the cost of editing, the cost of the writers of the articles, and what chance have the Canadian authors to get into Canadian magazines? None at all. They have to pay rent and taxes, pay for type setting and everything, and they have to do it in competition with men who do not have to pay any of these expenses. Surely it requires but a moment for a man of perspicacity to realize that while these conditions exist the Canadian magazine is an impossibility, and I submit the Canadian periodical press is very desirable. But these are not all the handicaps they labour under. The materials that enter into Canadian magazines are all taxed. If they import their paper it is subject to a duty of 25 per cent. If they import ink they have to pay 20 per cent. There is a duty of 20 per cent on engraving and a duty of 20½ per cent on art work. There is a duty from 10 per cent to 25 per cent on machinery and a duty of 15 cents a pound on advertising plates. All these things have to be paid for by Canadian publishers, while they are all covered by their competitors who circulate in competition with them in Canada.

Another feature of it, Mr. Speaker, which to my mind is very interesting is the effect it has upon Canadian goods. In this magazine I have in my hand we have ninety-four pages of advertising—some of the most alluring and attractive advertising that you will find any place in the world, all advertising American products and making a market in Canada for American gooods, and not a single Canadian manufacturer can place his advertisement in that magazine. He will have to pay the cost of two and a half million circulation to get 100,000 circulation. The thing is absolutely prohibitive to the Canadian manufacturer, and it works out, according to one manufacturer whose statement I have here, very injuriously indeed. I will quote from Mr. Newman, chairman of the Picton Board of Trade. He says:

> I might mention the county of Prince Edward is putting out about one-half of the canned vegetables manufactured in the Dominion of Canada. The county of Prince Edward puts out the best tomato in the world. Yet we are using ten or twenty times the amount of American-made Campbell's tomato soup, which our country is so famous for producing. The Canadian canners put up a tomato soup the equal of any other, but the American soup is purchased because of the large full page colour advertisements in the American magazines. The housewife looks at that, and it makes her almost hungry for tomato soup, and she goes down town without considering where it is made, or considering that she is employing American labour, and makes her purchase. Or she calls up on the 'phone, and orders Campbell's soup.
>
> I have no interest in any publication; the Prince Edward Board of Trade is not interested in a publication, but we are interested in that demand which American publications are creating in Canada for American-made goods, and the fact that Canadians are using so much of the class of goods which can be just as well purchased in Canada.

That is the effect, according to the chairman of the Picton Board of Trade, upon one industry. I do not think there is an hon. member in this House, who, from his own experience, does not know that what Mr. Newman says is absolutely correct, and if it affects all our industries similarly, is it any

wonder that there is business depression in Canada? Our manufacturers cannot get their product advertised, while their American competitors have the most attractive advertising to be found in any country in the world, these advertisements are put into the homes of Canadians duty free and their goods are thus put into competition with Canadian goods. I have a statement here which says that over 25,000,000 pounds of advertising comes into Canada each year in these publications. If that came in unmixed with a little literary matter it would be subject to a duty of 15 cents a pound, but they mix it up, and they get an arbitrary interpretation of a certain clause in the customs tariff, and in it comes, to drive out of employment the workmen who would otherwise be engaged in such work, and to ruin scores of publishers, to my certain knowledge, who have endeavoured to establish Canadian magazines. In that way this whole country is left to the mercy of Americans promulgating their own ideas of nationality, and their own ideas, sometimes, of morality. I will quote another author, Colonel Owen Lobley, of the Holland Varnish Company, a large Canadian manufacturer who, speaking on the menace of imported advertising, said:

> Gentlemen, the popular foreign magazine is one of the most powerful and pernicious aids to peaceful penetration. Persistent advertisements attract the attention of our families to foreign products. Stories and articles are moulding the minds of our young people along American lines, and towards American ideas and ideals. What progress can a "Produced-in-Canada" compaign make against resistance such as this?

And I will give you a quotation from an American source, none other than J. I. Britain, United States Consul General at Winnipeg. Speaking of the American magazine advertising he says:

> The advertisements in these magazines are perused with considerable advantage to the advertiser as they keep before the public numerous lines of American merchandise.

These are authorities, these are men who have been up against it and who are entitled to speak. During the past few years these Canadian publications, in addition to others, have been driven out of existence: Canadian Weekly, Canadian Courier, Women's Century, Pictorial Review, Everywoman's World, The Listening Post, and a host of relatively smaller publications. The effect of this is understood by national and social societies of the country. The National Council of Women passed this resolution:

> Whereas, the efforts of the Canadian Magazine Association to have a duty placed upon United States magazines are entirely in line with the resolutions of the I.O.D.E. adopted at the annual meeting; be it therefore resolved that we, the national executive heartily endorse the action of the Canadian Magazine Association and pray the government to take early and favourable action thereon.

This is one by the Canadian Club:

> Resolved: That our executive is of the opinion that every effort should be made to encourage literary effort in Canada, and it is felt that a protective tariff on imported magazines, more particularly those from the United States, would result in lessening the importation of magazines many of which are of an undesirable type and would promote the production of Canadian magazines edited from the Canadian viewpoint.

I might go on with quotations from the Typographical Union, manufacturers' associations and others who are more or less affected by the flooding of Canada with this pernicious kind of literature. There is no desire, no intention to exclude, and a tax would not have the effect of excluding any good United States magazines. A duty of ten or fifteen cents a pound on the Century or Harpers' Monthly or any other good magazine would not be a serious tax and would not prevent them from coming into this country. People in Canada who want that type of magazine would be glad to pay for it, if in return they could secure the exclusion of the villainous literature that comes in duty free at the present time.

One thing I object to is the utter disregard of the present government for the welfare of this country as it is affected by this importation of United States magazines. I myself have been arguing the matter for four years. My arguments met with the sympathetic approval of the Minister of Finance, and I have yet to be told by any member of the government or any member of the party that the restriction of this flood of United States literature would be unwise. They all agree with me but they will not do anything. Surely this is something that should have the sympathetic attention of a government that wants to keep Canada a part of the British Empire, that wants to keep Canada from annexation to the United States. How long can we stand the literary penetration of this country by United States writers? That is a question that my hon. friends should ask themselves. How far is this responsible for the exodus from this country to the United States, which is painted to our young men and young women as a land of promise, with higher wages, better conditions and good times?

Mr. GARLAND (Bow River): Is the hon gentleman aware that this question of the peaceful penetration of Canada by United States writers is sanctioned and countenanced by MacLean's Magazine, a journal which reprints stories and articles from the Hearst journals of the United States?

Mr. HOCKEN: I have no such knowledge, and I do not believe it to be so.

Mr. GARLAND (Bow River): It is so. I can show the hon. gentleman the articles to which I refer.

Mr. HOCKEN: I know intimately the publisher of MacLean's Magazine and I know the proprietor; there is no stronger advocate of the duty on United States magazines than he is.

Mr. GARLAND (Bow River): That may be, but he reprints stories out of Hearst's Cosmopolitan.

Mr. HOCKEN: The hon. member will find that they are written by Canadian writers.

Mr. GARLAND (Bow River): No.

Mr. HOCKEN: Yes, and he is using the clause in the Copyright Act by which he can get possession of these stories. He is paying royalties to Canadian writers who sell their product first to United States magazines, and why? Mr. Stringer and other Canadian writers can sell their stories to the Cosmopolitan and other United States magazines for five times the price that any Canadian publisher can afford to pay. Naturally they go there, and until the Copyright Act was changed and it was made possible for a Canadian publisher to get a license to publish anything that was published in United States and was refused publication in Canada, Mr. Stringer's work could not be published in Canada; it appeared only in the paper that bought it. But under present conditions of the Copyright Act, MacLean's Magazine or any other magazine can go to headquarters and say: I want a license to publish that, and the authorities of the Copyright branch will say: We will give you a license and you pay the author so much. It is possible now to force United States magazines to have these Canadian writers' articles published in Canada. What is the result? Canadian publishers do not have to take out a license. The fact that it is possible for them to get a license enables them to make an arrangement with United States publishers to get stories of Canadian writers.

Mr. BROWN: In this matter I have a good deal of sympathy with the position the hon. gentleman has taken; but from the standpoint of peaceful penetration of Canada with United States ideals is it not the case that the magazines that might most be feared for that reason are among the higher class of magazines, and those which from the point of view of their moral standard we would never think of objecting to; and that magazines that are really salacious in character and that we would like to exclude from Canada are not to be feared from that standpoint at all?

Mr. HOCKEN: I appreciate the attitude of my hon. friend. Would he call the Saturday Evening Post the better class of United States magazines? I believe my hon. friend is speaking of the Geographic or Harper's or the Century. All these papers sell at a price of twenty-five or fifty cents a copy and a duty of ten cents a pound would not mean anything to them at all. The publisher could absorb the duty, or if he did not, the Canadian purchaser would not object to paying it. We want those high class magazines in this country. I do not believe they are as dangerous as the Saturday Evening Post, for instance, which is the most dangerous from the standpoint of penetration.

Mr. BROWN: From the standpoint of morals?

Mr. HOCKEN: No, from the standpoint of making our young people believe that the United States is the place to live in. This is true not only of the stories but of a number of articles that appear in this magazine. Then there are the Cosmopolitan, True Stories—three hundred of them, all telling the same story: "Come over to the land of the free, the land of promise."

Mr. WOODSWORTH: Would the hon. member mind going a little further and specifying some of the publications which he would characterize as belonging to the class of villainous literature?

Mr. HOCKEN: I could give my hon. friend a long list of them if I had time, but for the moment I will mention Snappy Stories.

Mr. WOODSWORTH: I was thinking of others. One that goes into many homes is the Ladies Home Journal, which I presume is one of the outstanding United States publications. Does the hon. member regard that as undesirable, or not?

Mr. HOCKEN: That is not at all undesirable from the moral standpoint.

Mr. WOODSWORTH: The hon. member, I take it, objects to certain American magazines on two grounds, first, for moral reasons, and secondly because they purvey American sentiment. Would he exclude papers of the type to which I refer?

Mr. HOCKEN: I am not arguing for the exclusion of anything that is not obscene and immoral. I would admit the Ladies Home Journal, which is an excellent publication; but I do say that it ought to pay a tax. But one of the arguments against the Ladies Home Journal is that, to a larger extent even than the Saturday Evening Post, it is an advertising medium, and as such affects our business relations. I do not think that it is pernicious on the ground of denationalizing our Canadian sentiment. If it does this it is only to a very small degree. I repeat, I believe the Ladies Home Journal to be an admirable publication. But why should we not have a Canadian woman's home journal? As a matter of fact we have one published in Toronto by the Consolidated Press, and if that paper were not obliged to compete with the Ladies Home Journal it would do twice the business; it would be twice its present size and its advertisers would derive twice the benefit they now get from it.

Mr. WOODSWORTH: Could the hon. gentleman, as a publisher, give us an idea of what it would cost to produce in Canada a paper of the style of the Ladies Home Journal?

Mr. HOCKEN: And size?

Mr. WOODSWORTH: Yes.

Mr. HOCKEN: It could be nothing but a rough guess, But I should say that to produce 100,000 copies it would cost probably $50,000 or $60,000, and you could not raise the price of advertising in Canada to enable you to secure that revenue. The manufacturers in Canada could not afford to pay the advertising rates that would make the publication of such a magazine feasible, whereas in the case of the Saturday Evening Post the advertisers pay as high as $7,000 and $8,000 a page. Why, it was computed that in one issue of that journal a short time ago there was over $1,000,000 worth of advertising. It was a little larger in volume than the magazine I have here, and the rates were so enormous that in that one issue the advertising amounted to the total I have mentioned.

Mr. WOODSWORTH: In that case a magazine of that kind, if produced in this country under present conditions, would have to be sold at thirty or forty cents per copy.

Mr. HOCKEN: It could not be sold for fifty cents in Canada, taking all overhead expenses into account.

Mr. WOODSWORTH: One more question and I am through. Do I understand the hon. member to advocate putting on such a tax as would raise the price of a publication of that description to thirty, forty or fifty cents?

Mr. HOCKEN: As my hon. friend will see in Hansard, what I have advocated is that section 169 of the tariff be enforced, and that we be given 25 per cent protection. However, if my hon. friends opposite are not willing to concede 25 per cent, then they might give us 15 per cent or 10 per cent. At any rate, let them give us something, so long as they acknowledge and adopt the principle of protecting the Canadian publisher, not only for his own sake but—because this goes much further than the welfare of the individual—for the good of Canada as a whole. Those men who have money invested in Canadian magazines can withdraw it and go into something else, as in fact they have done. They do not suffer materially; they may lose some money, but they can go into something else. But it is the great masses of the people that suffer, and that is my principal objection.

5 p.m.

I have a whole mass of material disclosing the views of Canadian newspapers, and while I will not read very extensively from it, there are two or three things which I think should certainly be put on Hansard. For instance, I take the following from the Vancouver Morning Star:

> The Morning Star in a recent cartoon, pointed out how the very children of Canada are being led away across the border, in their mind at least, by a new Pied Piper in the guise of the cheap American magazine. The menace of this seduction to national distinction, national aspiration, national pride, and even national independence is serious. The mentality and morale of impressionable young Canadians, which should be kept clean and apart to their own land, is being merged in the reeking gas cloud of the lower Americanism. Crime featuring and salacious magazines from across the line are flooding every Canadian news-stand and book shop so that one is hard put to it in the pile of them to pick out a single copy of a Canadian, or even of a British magazine. Something should be done and done quickly to dam this trash which is flowing over the border; demoralizing trash which is deplored by the best type of Americans as well as by Canadians.

I went into a news-stand in Toronto on one occasion and asked for a copy of MacLean's magazine, and although the storekeeper had not a single copy in his place he had, stretched across a large frame on one side of the store, about 100 American magazines. He had not a single Canadian magazine on sale, because he could make more profit out of his salacious literature.

An hon. MEMBER: Where was that?

Mr. HOCKEN: In my own city, but I presume the same is true everywhere. I have

figures here showing that some 2,000 copies of one magazine alone are sold in Ottawa. The newspaper goes on:

When Canadian politicians adopt the new national policy of preventing the export of raw materials to American manufacturers in order to make them make them in Canada then Canada will have, among other things, the best and cheapest paper in the world, because she has the best and cheapest supply of wood pulp.

The article is a column long but I will not read further from it. Let me now quote a few words from Saturday Night:

The Canadian field for Canadian periodicals and in a measure Canadian newspapers is being lost. That is to say our periodical press is being strangled to death by United States competition. There are printed today in Canada a far less number of publications than was the case when our population was half of what it now is, and those that are left are struggling for an existence for the most part. . .

Slowly but surely Canadian publications are being crowded to the wall, and each day the position becomes worse. United States periodicals are practically given away to the readers in Canada, the national advertisers, with headquarters in the United States, footing the bills. Presumably they get their money back by the sale of American goods to Canadians.

A certain United States weekly publication now making a drive for more circulation in this country is selling for $2 per annum, of which amount $1.80 goes to the canvasser. The white paper in this journal could not be bought in the open market for less than ten cents per copy—

Whether they are referring to the Saturday Evening Post or not, the fact is that there is ten cents worth of paper in this issue I have here.

—to say nothing of the many dollars expended in one way and another before the finished product reaches the reader. And our postmen are becoming round shouldered carrying them around.

What are we going to do about it? Why, nothing of course.

It really looks as if the editor of Saturday Night were in the confidence of the government. They are not going to do anything about it.

It would be a burning shame to place, for instance, a tax on the advertising in United States periodicals coming into Canada.

I think the editor is ironical, Mr. Speaker.

Of course, it would save many millions of dollars now expended for goods, mainly luxuries, made in the United States, and it would add millions of dollars annually to our wage bills, because we could then employ our own people in place of driving them away. Somebody might even have to start a new ink company, or a new type foundry, or a new paper mill or two. And lastly, but not least, we might teach our people to be steadfast Canadians in place of secessionists.

In a generation simon pure Canadian publications, with very few exceptions, will be scarce as the dodo. They simply cannot survive under such conditions.

But I want to give another quotation. This is from the Globe, that old Liberal journal which is eighty years old and still going strong. It says:

Sooner or later the Canadian government will be obliged to take cognizance of the vast circulation of United States publications in this country. They are strangling the publishing industry here, depriving Canadian workers of millions of dollars' worth of employment; they are "Americanizing" Canada by means of the reading material offered; they must have a very grave effect on Canadian industry in general, owing to the tremendous amount of advertising of United States products carried in their columns.

The Orillia Packet says:

By all means let us have a duty on the American publications that are flooding Canada, to the extent of more than a million copies a week. It is one new tax to which no objection can be taken.

The Kitchener Record, with which my hon. friend from North Waterloo (Mr. Euler) is more or less closely connected, says:

Acting upon the contention that the Canadian publishing trade is suffering from outside competition, the delegation suggests the imposing of a tariff of 10 cents a pound on all periodicals and week-end magazines entering Canada. It is estimated that the consequent revenue would be approximately $5,000,000.

Now, my hon. friend the Minister of Finance ought to listen to that. Does he want $5,000,000 extra revenue?

Mr. ROBB: Certainly; and I must get $5,000,000 additional revenue if I am to meet the demands of the city of Toronto for new federal buildings.

Mr. HOCKEN: Well, the city of Toronto, through its representative, is giving my hon. friend the means of getting the money, and having done that I think there should be no objection to his spending it in that city.

Mr. HOWARD: Does my hon. friend know how many tons of Canadian newsprint are used by the American papers that come into Canada?

Mr. HOCKEN: I am dealing with periodicals and magazines which do not use newsprint. But, Sir, $5,000,000 is a lot of money and we ought to have it.

Now, I am taking up more time than I expected to—

Some hon. MEMBERS: Go on.

Mr. HOCKEN: —but there are other sides to this question that I think ought to be dealt with. I have in my hand, Mr. Speaker, a statement prepared by Dr. Bell, of the provincial Department of Public Health, Ontario, showing that in March last—only a month ago—3,454 native born Canadians applied to him for their certificates of birth in order to enter the United States. He sets the figures out by weeks:

For the week of March 1..	708
For the week of March 8..	716
For the week of March 15..	756
For the week of March 22..	812
For the week of March 29..	452

That gives a total for the month of 3,454 native born Canadians who secured their birth certificates in order that they might go to the United States to live.

Mr. JOHNSTON (Long Lake): Does my hon. friend notice that the number was considerably less after the budget was brought down?

Mr. HOCKEN: What was the date?

Mr. JOHNSTON (Long Lake): I cannot give the exact date at the moment. It was late in the month.

Mr. HOCKEN: My recollection is that it was during the month of April.

Mr. JOHNSTON (Long Lake): Yes.

Mr. HOCKEN: These figures are for the month of March.

Mr. JOHNSTON (Long Lake): I was referring to the last week.

Mr. HOCKEN: The last figure of 452 was only for part of the week ending March 29.

Mr. JOHNSTON (Long Lake): The good news of the budget had gone before.

Mr. HOCKEN: How did it get out?

Mr. MANION: A lot of our people had gone also.

Mr. STEWART (Edmonton): Don't wory; they are coming back.

Mr. MANION: You cannot find them.

Mr. STEWART (Edmonton): They are showing up everywhere.

Mr. HOCKEN: Here is something, Mr. Speaker, that the publishers of Canada have reason to feel aggrieved about. I have a statement signed by the secretary of the Magazine Publishers that it was known in the United States two weeks before the budget was brought down that there was to be no change in the tariff so far as American magazines were concerned. Yet in Canada the men interested in this particular industry could not get a word of information. The publishers' organization in the United States printed a bulletin weeks before this tariff was brought down in which they said they had it on reliable authority that no tax of the kind was going to be imposed. There is the printed document.

Mr. ROBB: If my hon. friend will allow me—has he read in the Financial Post of last week the compliments paid to the officials of the Finance and other departments of government because there was absolutely no leak, no person knew what was in the budget until it was brought down?

[Mr. Hocken.]

Mr. HOCKEN: I can only conclude, Mr. Speaker, that the American publishers have a special aptitude at mind reading, for they issued a bulletin in which they indicated something which absolutely turned out to be correct.

Now, Sir, the moral effect of this flood of magazines is something which we ought to take cognizance of. In this connection let me quote from a letter which appeared recently in the Montreal Gazette, signed by "A Catholic Reader". He says:

> It is a pleasure to turn to the fine, public-spirited letter of a Montreal physician, Dr. Korenberg. As a medical man, he states: "Nothing can so easily and surely demoralize our children (and grown-ups) as constant reading of scandalous and filthy literature. Constant reading of such journals by our young generation, and by our older generation as well, will tend definitely to mould their character, their opinions and their outlook on life in a very undesirable (to put it mildly) cast."

Now, what have the Americans to say of their own magazines that are flooding this country? This is written by Frank R. Kent, the Washington correspondent of the Baltimore Sun, and it appeared in The Independent, a journal published in Boston:

> "And not only have we produced a great smut crop of a coarseness peculiarly our own," he says, "but the more obscene of the French papers have now been translated into English and appear on the news stands along with the originals. When you stop to analyse, scrutinize, and check up, there is here presented more reason for apprehension as to the future than any other single symptom in America to-day.
>
> "The place to fully appreciate its proportions—"

And this applies to Canada quite as much as to the United States.

> "—is in the smaller cities and towns, with populations ranging from 20,000 up to 100,000—towns, for instance, like Fairmont, West Virginia—"

Or we might say Hamilton, Ontario:

> —where one news dealer sells 2,200 copies of every issue of a single monthly, exclusively devoted to stories of sex experiences and the nude in art; or like Steubenville, Ohio, where out of 110 periodicals on sale in a single store, 60 were either out and out a prurient type or bordered on the libidinous line.
>
> "It is not the cheap and sexually suggestive fiction magazines, although these are many and rotten, that constitute the real shock troops of these paper battalions of literary indecency so much as the smaller and more compact non-fiction affairs frankly and exclusively given over to obscenities. Some of these are published in Chicago, some in Philadelphia, but most of them in Newark, New Jersey, and are issued by the same individuals under different corporate names. They mainly contain a rehash of the dirty stories and jokes told in the smoking rooms of pullman cars or hotel lobbies.
>
> "If you want to know whether these things are widely read, all you have to do is check up with any intelligent news dealer in any city, big or little, in any part of the country. The candid ones will not hestitate to tell you, not only that the demand for this sexual literature is enormous, but that there is no such thing as oversatisfying it. Those who buy

one of these periodicals will buy every similar one on sight. The more you feed it, the keener it gets. That is why there is a constantly increasing number of these things. As fast as one lewd venture is launched and successfully established, a little twin brother, under a different name and in a dress of a different colour, is sent out and is equally successful with the same clientele."

That is the kind of stuff a large part of which is coming into Canada free, because of the conflict in the items in the customs tariff, and that is the kind of stuff that our young people should be protected from. If it is not the duty of the government to protect the people of this country from that kind of thing, I would ask the members of the administration, who else will do it? How is it to be done? To my mind, it is one of the most important duties the government has to perform.

I go this far, Mr. Speaker. If there is one thing under modern conditions that a nation should endeavour to do, it is to establish and develop a periodical press. I base my argument, Sir, upon this fact, that to a very large extent the periodical press has taken the place of books. A very much larger and increasing proportion of our people all over the country are reading magazines and periodicals of various kinds. The amount of book reading is less in proportion to-day than it ever was, and it is due to the periodical press taking the place of books to a very large extent. It is possible for a periodical press to develop national sentiment in a way that no other form of publication can do. It goes out weekly or monthly, it contains articles building up the national sentiment, strengthening the national spirit, and it goes to the people who read it this week, and next week, and the next week, all through the year. Like drops of water constantly falling upon a stone, it makes an indelible impression. The young mind filled with national sentiment built up by the reading of a Canadian periodical press would remain forever Canadian, but if, instead of being cultivated by a Canadian press, the young mind is cultivated by an American press, it acquires American ideas instead of Canadian ideas. I venture to say, Mr. Speaker, that the young people of Canada to-day know more about President Coolidge than they do about the right hon. leader of this government. The name of Mackenzie King is not in literature that is read in Canada as much as the name of President Coolidge.

An hon. MEMBER: Not in Ontario?

Mr. HOCKEN: Not in any part of the country. Besides, Mr. Speaker, this is not a joking matter, as I see it. I may be all astray in my opinion, but to my mind this is one of the most serious questions that a government can take up. If we are not to protect the young people from obscenity, which is our duty; if we are not to make laws that will develop and strengthen national sentiment, how can we expect that Canada will remain Canada? If we want to protect our people and provide against a secessionist sentiment, we must get our young people to learn what Canada means to them, what we have in Canada, and why Canada should be built up. Teach them that Canada is as good a country to live in as there is in the world, if not better. But we are not teaching them that, and we are allowing our neighbours to the south to teach them something entirely different.

I say, Sir, that the periodical press occupies a position in the world to-day that it never did before, and Canada has no periodical press. Canada ought to have one, and Canada can only get one if there is a certain degree of encouragement given in restricting the flood from a neighbouring and a foreign nation, and then providing, so far as can reasonably be provided, for a flood of Canadian periodicals.

Mr. GARLAND (Bow River): May I ask a question? The hon. gentleman has been very fair to us so far, and I hope he will extend this courtesy to me. A moment ago I asked a question with respect to stories appearing in Hearst publications being reprinted in MacLean's Magazine. The hon. member replied that MacLean's reprinted only stories by Canadian authors. The hon. member was wrong. I have in my hand MacLean's Magazine of the issue of March 15, in which there appears a story entitled "Here Comes the Bride," by Fanny Hurst, a story of the Bowery, the East side of New York City, reprinted from the Cosmopolitan.

Mr. HOCKEN: I am not acquainted with the lady. I do not know whether she is a Canadian or not.

Mr. GARLAND (Bow River): I am informed that she is a United States Jewess.

Mr. HOCKEN: If it is a particularly fine article and it does not affect our national spirit I do not see why MacLean's should not publish it. But Mr. MacLean's idea, as expressed to me personally, is to develop and encourage Canadian writers. By reason of the Copyright Act you can get the works of Canadian writers, and so far as possible, he gets Canadian writers in his paper in every case rather than American writers. He is a strong Canadian, a strong imperialist, and he as much as any man in this country is trying to stem the tide of this avalanche of American publications.

I want to point this out to the House: We are a young country, we are yet in the formative stage. Our future depends upon the present and the rising generation, more so perhaps than is the case in most other countries. That makes it increasingly important for us to see that the present and the rising generation are not denationalized in sentiment, but that on the contrary they should have their Canadian spirit and Canadian sentiment highly developed. So that we are perhaps in a different position from any other country in the world in that respect. We are to-day laying the foundations, and they must be laid in the minds and in the hearts and in the intellects of the people; that is the only foundation for a nation. I venture to say, Sir, that the province of Quebec is the only province in the confederation that can be said to-day to have its ideals fixed, and that is due to the fact that it has been made impervious to American influences. Premier Taschereau told us a short time ago that the attitude of the people of Quebec to day was the same as it was three hundred years ago. That makes them impervious to this Americanizing. Then again, all these magazines are printed in English, which is not read fluently by a great many people of the province of Quebec. Therefore these American magazines cannot permeate that province in the way in which they can all the rest of the provinces. But every other province in confederation is in a state of flux so far as its national sentiment is concerned. That sentiment is not fixed, and it is being fed by the most pernicious anti-Canadian literature that is printed anywhere in the world. We are rapidly imbibing American ideals, and that must inevitably weaken and ultimately destroy that definite Canadian sentiment which it is our duty to strengthen. If Canada is not to be absorbed by the republic our government must take measures to protect our people from this infiltration of Americanism.

We all deplore the exodus of our young people across the border; it is an economic loss that no country can stand for any length of time. The first members of a family who cross the line act as a sort of magnet to all the other members of the family, drawing them at one time or another to the substantially better conditions that are said to prevail in the United States. In my opinion the flood of American periodicals that enter Canada is doing nothing more or nothing less than rob this Dominion of its native-born citizens who have free and unlimited entry to the republic. All they have to do is to get a certificate of birth, and over they go without any further question. We are being left with a population born elsewhere than in Canada, much of it very desirable, some of it not quite so desirable. In any event a Canadian-born citizen has greater potential value to this country than a man from any other part of the world. If there is any of the population we should endeavour to preserve, it is the native-born Canadian, and we are not doing that.

I am not arguing that our relations with the United States should be any other than intimate and friendly. We have lived beside them for over one hundred years without any dispute that could not be settled by arbitration. Our social, our business, our fraternal relations with the United States are about as intimate in the case of some provinces and states as are the relations between the different provinces of Canada. I have no objection to that; I wish to encourage it. I happen to belong to two or three international organizations myself. But it is one thing to maintain friendly and intimate relations of that character, and it is something entirely different to allow our young people to be tempted or to be influenced in such a manner that they come to think more highly of the United States than of their own country. Unless we are willing to watch our country drift into annexation with the United States we must do something to strengthen a national Canadian sentiment, and as I have argued before, nothing will be so effective in enabling us to do that as a strong Canadian periodical press that will emphasize the advantages of our own country and make Canadians proud of their native land. We should, as far as possible, guard against the cultural as well as the economic penetration of this country by the United States.

To those who favour our absorption by the republic to the south my argument will have no weight; but with all who desire that Canada should remain a member of the British commonwealth this must be a question of the first importance. I present it to the House not for the first time or for the second time. I urge the government once again to sit down quietly and consider solemnly the ramifications, the evil results that are following and will increasingly follow the continued free entry of American magazines into this country. I realize the differences we have in Canada, yet I believe we have an opportunity to build up one of the greatest countries in the world. We have the soil, we have the resources of all kinds, and we have a climate that ought to make men just a little better than they are in

any other part of the world. But we can only succeed if we make Canadians proud of their country—so proud of it, in fact, that they will be willing to make some little sacrifice to live in this Dominion. Unless we can do that the great republic to the south, with its 110,000,000 of people, with its better financial opportunities awaiting all the time, will attract the very cream of our population. Our only hope, our only remedy, is so to cultivate a national sentiment among Canadians, particularly young Canadians, that they will be proud of Canada, they will resist the appeals that come from the other side of the international boundary line, and will say: As for me and my house, we will remain Canadians.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, the remarks that I wish to address to the House on this occasion will be directed not so much towards the budget itself as towards certain criticisms that have been made of it, and trade conditions in general in Canada. It is not my purpose so much to build up a constructive argument as to endeavour to show up some of the fallacious arguments that have been used. If we can do that I think perhaps we shall have laid in some measure the foundations for a better understanding of the situation that confronts us.

I might make a few remarks, however, upon the budget itself. I shall not refer at all to the general financial situation; but speaking of the matter of trade conditions in Canada it has been pointed out, and very properly so, that the satisfactory conditions that prevail in this country are dependent in large measure upon the splendid harvests that have been reaped by the farmers in all parts of the land. It is only natural of course that the government should be pleased that the two conditions should have coincided—that is, the continuance of the government in office and the splendid harvest that has been reaped. It is only natural that hon. members on the government side should refer to that fact with pride and take some satisfaction out of it. On the other hand it is only natural that their opponents should belittle as much as possible the activities of the government and give all the credit to Providence. Now, we in the west who have received these large crops recognize that Providence has blessed us wonderfully during the past two years. We also recognize that the large exports of wheat that are going forth from this land have been brought about by the co-operation of Providence with the hard-working diligent farmers of the Canadian west.

I should like to call attention again to some very wise remarks that were made by the hon. member for West Calgary (Mr. Bennett) in which he showed the position which the Canadian west is occupying now in the economic life of the Dominion. Perhaps this was never more strongly stated than in an address that was given by Sir Henry Thornton, president of the Canadian National Railways, as reported in the Montreal Gazette of Saturday, January 9, 1926. This address was delivered in November last, and I wish to refer to only two or three sentences. He points out in the course of this address that during the early part of last year the Canadian National Railways did not show a very strong position as regards the business done, but that towards the middle of the year conditions began to improve. He then goes on to say:

> About the middle of July, however, a definite firm undertone in Canadian business began to manifest itself, so that the decrease in gross earnings has now been wiped out and an increase in gross of approximately $7,000,000 will be shown at the end of the year.

At the beginning of July it was perfectly manifest there was going to be a magnificent harvest in the west, and naturally that made itself evident in the immediate increase of the business of the country. Again he says:

> The crop conditions for the year undoubtedly helped the position, but a large measure of success is due to the healthy growth of business in general in all parts of the Dominion. Because of the important part played by the crops in Canada's general business conditions it seems inadvisable to go beyond the first six months of next year in venturing any predictions. Given an average crop, however, I believe that the sound undertone which has made itself felt in Canadian business during the latter half of 1925 will continue to increase in strength during the first half of 1926.

Perhaps it might not be amiss for the government and all of us to take the warning given by Sir Henry Thornton when he said that it might not be wise, in the matter of predictions, to go beyond the first six months of the year—another recognition of the fact that the prosperity of Canada is very closely bound up, indeed absolutely dependent upon, the prosperity of the farm.

It is a matter of pride on the part of all Canadians that our National railway has reached the status that it has now attained. For my part—and I think I speak for those, in the main, who sit in this corner of the House—we never criticized the action of the government of the day in taking over the railway lines and beginning the amalgamation of them into a united whole. We recognized that it was a matter of necessity that such a step should be taken, and for my part I am inclined to give credit to those who controlled the government of the day. But when these lines were taken over they were

not in a position to compete effectively with the Canadian Pacific railway, and while hon. members claim that credit should be given to the right hon. leader of the opposition (Mr. Meighen) for having brought about the amalgamation, we should also remember that he has taken the position that we should not spend one dollar more in the way of equipment. I think he has used expressions of that kind on different occasions. We in this House have voted large sums of money during the past few years for the equipment of the National lines, and that equipment is now such that the railway will become a very effective competitor with the Canadian Pacific. For the next few years I do not think it should be necessary to spend any very considerable amount in equipment in order to make it possible for the Canadian National to compete with the other road.

I had intended to speak at some length on the question of the income tax, but the hon. member for Nelson (Mr. Bird) expressed pretty nearly my sentiments in regard to that matter. It is seemingly a popular move that the income tax should be reduced. I note with approval, however, that the government has acted in certain respects as some of us have argued during the past few years. I notice with particular pleasure the provision in regard to the tax upon dividends. We have been arguing that distinction should be made between revenue derived from investment and revenue derived from salaries or from business. For my part I cannot agree with the hon. member for Fort William (Mr. Manion); I cannot work up a great deal of sympathy for that hypothetical widow who has to pay an increased tax on an income of $5,000 which she receives from dividends. There are a great many widows in the country for whom I have a great deal more sympathy than the widow who receives an income of $5,000 from her husband's estate. I would like to commend the government for taking a step in the direction of another principle we advocated, namely, that for the purposes of taxation the income of the husband and wife should be considered a joint income. They have not perhaps gone as far in that respect as some of us have advocated, but a step has been made in that direction and I think the policy is eminently sound.

It is quite obvious that different views are held by hon. members in this House in regard to these matters. One feature of the income tax as set forth in the proposed change was condemned by the hon. member for New Westminster (Mr. McQuarrie), and that is the feature that made the strongest appeal to me as praiseworthy. The hon. member criticized the proposal that carrying charges on unproductive property should no longer be exempt. I commend that change most heartily. I do not see why a man speculating in land, for instance, or having any other unproductive property, should be allowed to deduct the carrying charges when he makes his claim for exemption.

The postal reductions have been received generally with a measure of favour, and perhaps the hon. member for South Wellington (Mr. Guthrie) expressed what was a very common attitude toward the postal service when he said it was one that should be rendered to the people at cost, and that the government should not make any excessive profit out of it. I know that that position is very generally taken by people, and I am not going to combat it; but I would like to present another point of view to which we might give some consideration. It should be remembered that the government is rendering many services to the country at less than cost. It might very well be argued, if that is the case that some of these services which show a small profit might be continued in order that other unproductive services might be continued—provided always of course that these services should not be in any degree burdensome on the country. That, to my mind, is a point of view that might very well be considered.

That is all, Mr. Speaker, I wish to say in regard to the budget itself. I wish now to make some references to certain arguments that have been used in this House that seem to me to be absolutely fallacious. I wish to refer to some statistics that have been given, upon which the wrong conclusions have been based and from which false inferences have been drawn. Perhaps one of the chief offenders in this respect was the hon. member for Frontenac-Addington (Mr. Edwards) in his speech yesterday. Speaking generally in regard to these statistics, I think the fault is a very common one: hon. members will go to the Bureau of Statistics, get figures which may be absolutely correct, and place them on Hansard, but the conclusions they draw from them are absolutely wrong, and when we make any criticism in the matter they tell us that the figures are taken from government reports. The hon. member for Muskoka-Ontario (Mr. McGibbon) was good enough to say a few weeks ago that he had more confidence in Mr. Coats as a statistician than he had in the hon. member for Lisgar (Mr. Brown). I agree that Mr. Coats is a better statistician than the hon. member for Lisgar; it is not with Mr. Coats that I have any quarrel. My quarrel is with those

who take the figures Mr. Coats compiles and use them in such a way that they lead to wrong conclusions and result in altogether unwarranted inferences. Hon. gentlemen fall back upon the principle that figures do not lie. Figures do not lie—but hon. gentlemen can complete the quotation. Indeed, when some of these hon. members engage in mathematical calculations I cannot but be reminded of a little algebraical puzzle we used to have put before us by which it could be absolutely demonstrated that one is equal to two. The question was to find the fallacy—because there was a fallacy in it; anyone would know that one was not equal to two. The fallacy lay in this, that on each of the two sides of the equation you found a factor that was equal to nothing, consequently the whole thing was equal to nothing. Everybody, I think, unless it be the hon. member for Frontenac-Addington, will be prepared to recognize that once nothing is just as much as twice nothing.

I am sorry the hon. member for Frontenac-Addington is not in his seat, because I wish to direct my remarks particularly towards some of the figures that he placed on Hansard only yesterday. When he gave those figures to the House I could not be sure just what he was trying to get at; I could not see what particular fish he was trying to catch in the muddy water he had stirred up. But a little later on he showed clearly what he was trying to do. On page 2880 of Hansard we read this:

> Mr. Evans: Does the hon. gentleman imply that we get more in Canada for our wheat than we do in the world's markets?
>
> Mr. Edwards (Frontenac): I did not imply that, I stated it. I gave you the figures which I have taken from the government's own reports, and inasmuch as you are supporting this government very faithfully I do not suppose you will question the correctness of any of those reports.
>
> Mr. Brown: The figures may be reliable but a very wrong inference may be drawn from them.
>
> Mr. Edwards (Frontenac): That is a matter of judgment. I presume my hon. friend will admit that if there is a wrong inference drawn it will be on his part.

I admit nothing of the kind. I propose to show the utter fallacy of the figures compiled by the hon. member for Frontenac-Addington, who was good enough to say to our hon. friends opposite that they belonged to the kindergarten class, the Saskatchewan kindergarten. I propose to show that the hon. member for Frontenac-Addington is not even in the kindergarten class, but in swaddling clothes. Let me say to the hon. members from Saskatchewan: Do not be discouraged if you should be spoken of as "young cubs" and "kindergarten kids." Some of the old "ginks" on this side at least think we can discern in you some qualities of statesmanship, and possibly when you grow older you will be wiser. I remember when the hon. member for South Winnipeg (Mr. Rogers) was spoken of as the "boy"—and look at him now. He will remember that in the early days when he was campaigning in southern Manitoba. But to go back a little further into history, you all know the experiences of Disraeli, how he felt he had made a mess of it when he first spoke in the House, but said that there would come a day when he would be heard. To go back a little further, hon. members will remember that the great William Pitt was at one time taunted by his great opponent Walpole with his youth and inexperience, and Pitt in the course of his remarks used words something like these—I trust I may be forgiven if I do not quote them exactly, for it must be about forty years since I saw the printed page:

> Whether youth may be attributed to any man as a reproach I shall not, Sir, assume the province of determining, but surely age may justly become contemptible when the opportunities which it brings have passed away without improvement. The wretch who having seen the consequences of a thousand errors continues still to blunder is surely an object either of abhorrence or of contempt, and deserves not that his grey hairs should secure him from insult.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. BROWN: When the House rose at six o'clock I had been endeavouring to offer some words of encouragement to the "kindergarten class" from Saskatchewan, urging them not to take too seriously the criticisms that had been made by the hon. member for Frontenac-Addington. I had pointed out to them that some great statesmen had overcome the weaknesses of their early youth. Disraeli, for example, in spite of his first failure in the House of Commons, became famous, and the great William Pitt, although taunted with his youth and inexperience, rose nevertheless to be one of England's greatest prime ministers. As a further word of encouragement, I would say to the "kindergarten class" that with patience and perseverance they may possibly develop not merely into Beaconsfields and Chathams, but even into statesmen of the high eminence of the hon. member for Frontenac-Addington.

Mr. EDWARDS (Frontenac): Don't forget yourself. My hon. friend should not be so modest.

Mr. BROWN: I had called the attention of the House to the fact that the hon. member for Frontenac-Addington has advanced an argument in regard to the prices of grain in Canada. I could scarcely conceive it possible at first that the purpose he had in making that argument was what he told us, but he admitted it himself. That purpose was to prove that the western farmers received, for that portion of their wheat which was sold in the provinces in which there was a shortage, a greater amount than they received for that which was sold on the world's market.

Mr. EDWARDS (Frontenac): I did not say so.

Mr. BROWN: The hon. member did not say so?

Mr. EDWARDS (Frontenac): No.

Mr. BROWN: Then I shall have to quote Hansard again:

Mr. Evans: Does the hon. gentleman imply that we get more in Canada for our wheat than we do in the world's markets?

Mr. Edwards (Frontenac): I did not imply that, I stated it.

Mr. EDWARDS (Frontenac): Exactly.

Mr. BROWN: (Reading):

I gave you the figures which I have taken from the government's own reports, and inasmuch as you are supporting this government very faithfully I do not suppose you will question the correctness of any of those reports.

Mr. Brown: The figures may be reliable but a very wrong inference may be drawn from them.

Mr. Edwards (Frontenac): That is a matter of judgment. I presume my hon. friend will admit that if there is a wrong inference drawn it will be on his part.

Mr. EDWARDS (Frontenac): It may be.

Mr. BROWN: Let us go back to the figures the hon. gentleman adduced in support of his contention. At page 2878 of Hansard this is what we read:

It has been said that the price of wheat is fixed in the United Kingdom. Taken as a general statement, I think that that is true—

Mr. EDWARDS (Frontenac): Hear, hear.

Mr. BROWN (Reading):

—but I believe it is subject to some modification. The average price of wheat for all Canada in 1924 was $1.22; in Manitoba, $1.24; Saskatchewan, $1.21; Alberta, $1.20; Ontario, $1.27. Each of these provinces had an exportable surplus, comparatively small in the case of Ontario, but very, very large in the west. Quebec, Nova Scotia and New Brunswick had a shortage. In Quebec the average price for the whole year was $1.66; New Brunswick, $1.78; Nova Scotia, $1.61; Prince Edward Island, $1.59. There was a shortage in Nova Scotia and New Brunswick of 4,216,000 bushels.

[Mr. J. W. Edwards.]

The hon. gentleman endeavoured to show from these figures—if he did not, then I do not know what meaning he intended to convey—that that portion of the crop of the west which was sold to make up the shortage in these other provinces was sold at higher prices than were paid for the other portion of the crop that went upon the world's markets. So he stated in that first extract I read. Now the veriest tyro in mathematics will see the fallacy of his contention; one has only to look at it on the surface to detect it. Let me call the attention of the House to the hon. gentleman's mistake. He says that the average in Canada was $1.22; that the average in Manitoba was $1.24, in Saskatchewan, $1.21, and in Alberta, $1.20. In other words, the average for the three prairie provinces was $1.21⅔. I am not building up an argument on averages, for there is nothing more fallacious than some reasoning upon that basis. Indeed, I sometimes think that it would be well for us if that word averages were entirely deleted from our vocabulary.

Mr. EDWARDS (Frontenac): Does the hon. member question the correctness of those figures?

Mr. BROWN: I shall deal with that in a moment. The school-boy's definition of an average was that it was something that hens laid eggs on. It seems to me that it might be just as well, for all the good it does, to confine the word to that meaning. You will notice that after stating the averages in the three prairie provinces the hon. member went on to quote the higher prices in other parts of the Dominion—Ontario, $1.27, and the other provinces, respectively, $1.61, $1.66, $1,78. Now the most elementary mathematician could see that if you added the higher figures to the average I have already given, of $1.21⅔, the quantity included at these higher prices must be infinitesimal. That of itself shows the absolute absurdity of the argument that the hon. gentleman has made. Let the House consider it. We have an average of $1.21⅔ for the three prairie provinces, then $1.66 for Quebec—I need not deal with the other provinces. Why, anybody knows that if you have any appreciable quantity at those prices you are going to raise the average away above $1.22. The whole thing is so palpably absurd that I think I was justified in consigning the hon. member not only to the kindergarten class but to swaddling clothes.

Mr. EDWARDS (Frontenac): Now, may I ask my hon. friend again—

Some hon. MEMBERS: Order.

Mr. EDWARDS (Frontenac): I am not asking hon. gentlemen opposite in the kindergarten class, I am asking my hon. friend. Does he dispute the figures which I gave as to the average price?

Mr. BROWN: No.

Mr. EDWARDS (Frontenac): Very well.

Mr. BROWN: I said this afternoon that my quarrel was not with the statistician. I pointed out the unfailing custom of these gentlemen to my right that when we questioned their figures they would point to their being contained in a government report. My quarrel is with the hon. gentleman who misused the figures. I said figures do not lie. Neither do they. I have the highest respect for the exact science of mathematics. It is a most fascinating study, the relations of number, the invariable, unfailing rules of mathematics. But science is one thing and a pseudo scientist another. Figures are one thing and figurers are something entirely different. I do not dispute the figures for a moment.

Mr. EDWARDS (Frontenac): Very good.

Mr. BROWN: I am going to take up that point.

Mr. EDWARDS (Frontenac): Thank you; that is what I was coming to.

Mr. BROWN: I will give them to you. I did not get the full force of the hon. member's argument when he was presenting it, but in reading it over I saw at once its fallacy, and to confirm myself in my own opinion I got into contact to-day with the Department of Statistics. There I found that these figures did not mean what he said they meant. All that they mean is this: the figures for the other provinces simply referred to the local prices at which the locally raised wheat was sold in those provinces.

Mr. EDWARDS (Frontenac): Absolutely correct.

Mr. BROWN: That is all it means.

Mr. EDWARDS (Frontenac): That is right. I did not say it meant anything else. I did not imply that it meant anything else.

Mr. BROWN: Very well, we will have to cut out this first selection.

Mr. EDWARDS (Frontenac): No, all you need cut out is your interpretation of my figures.

Mr. BROWN: I invite any hon. member to read the extract that I quoted from Hansard. It will be found at page 2880.

Mr. FORKE: Read it again.

Mr. BROWN: I will.

Mr. Evans: Does the hon. gentleman imply that we get more in Canada for our wheat than we do in the world's markets?

Mr. Edwards (Frontenac): I did not imply that, I stated it. I gave you the figures which I have taken from the government's own reports.

And so on.

Mr. EDWARDS (Frontenac): Will my hon. friend permit a question again? I thank him for his courtesy in doing so. He says he accepts the figures I gave as the average prices. Those figures for the eastern provinces by reason of some scarcity he must admit are higher than the world's market prices. That is all I said.

Mr. BROWN: If the hon. member had confined himself to that I might have been willing to put his interpretation on it, but when in answer to the direct question by the hon. member for Rosebud—

Mr. EDWARDS (Frontenac): Rosetown.

Mr. BROWN: —Rosetown, he made the further statement, then he throws himself open to question. It is quite possible of course, and everybody admits it, that in a community where there is a comparatively small portion of wheat grown, those who own that wheat and are not able to come in contact with the world's supply will possibly get a higher price than the world's price. No one disputes that for a moment. But the hon. gentleman was not warranted in the conclusion that he drew from those figures.

Mr. EDWARDS (Frontenac): Did I not say—I want my hon. friend to be fair—that the general price of wheat was controlled in the world's market?

Mr. BROWN: But he went on also to urge that because of this shortage in the other provinces, as he pointed out and admitted himself, we got more for that portion of our wheat that was sold in the Canadian market than in the world's market.

Mr. EDWARDS (Frontenac): You have admitted it yourself.

Mr. ROSS (Moose Jaw): He is too old to learn.

Mr. EDWARDS (Frontenac): And you are too young.

Mr. McLEAN (Melfort): That can be remedied, the other cannot.

Mr. BROWN: The hon. gentleman also on that occasion had another fling at that much maligned company, the United Grain Growers. It will be recalled that when the Hon. Mr. Crerar left the Union government at once

a tremendous attack was started against him and against the company of which he was president. That was in the parliament elected in 1917. Amongst the leaders in that attack was the hon. member for Frontenac,—

Mr. EDWARDS (Frontenac): Hear, hear

Mr. BROWN: —ably supported by the hon. member for Vancouver Centre (Mr. Stevens), the then member for Dufferin, Mr. Best, and I think the then member for Peterborough, Mr. Burnham, these hon. members led the attack upon Mr. Crerar because he had left the government. Now, that attack was carried on all through the prairies, and I want to remind my hon. friend that everything that could be done to prejudice the minds of the western farmers against Mr. Crerar and his company was done. Election pamphlets were sent out—not according to law, because they did not bear the signatures of those who circulated them, but we know who used them. They came through my constituency during the 1921 election. I do not know whether the hon. member for South Winnipeg (Mr. Rogers), who was my opponent then, was responsible for their circulation in my constituency or not, but the fact is they were circulated there. I repeat, everything was done that could be done to discredit Mr. Crerar and that company. I want to remind my hon. friend that the people of the west, the people who had a grievance—if there was a grievance—and who understood the situation, answered the attack by turning down every candidate then supporting the government that appealed to the country; and it is a little too late in the day for the hon. member for Frontenac-Addington to come down here and get off this kind of stuff. It may be believed by people who do not know the facts of the case, but those facts are as I have stated.

Then the hon. gentleman spoke about overages in the terminal elevators. I can perfectly well understand how difficult it is for an eastern man to grasp this question of overages in the terminals, to see how an overage can be created except by fraud on the part of the elevator people weighing wrongly, and thus defrauding the farmer. But that is an entire mistake. If the hon. member or any other member would step into my office, in about ten minutes I could convince him of the fallacy of that position. I have not time this evening to discuss the question of overages in the terminals.

An hon. MEMBER: Go ahead.

[Mr. Brown.]

Mr. BROWN: I will have to speak a little longer than I intended.

An hon. MEMBER: Go ahead.

Mr. BROWN: Understand, I am speaking only of terminal elevators.

Mr. EDWARDS (Frontenac): Which I did not speak of at all.

Mr. BROWN: Very well, then your figures did not have any concern with terminal elevators.

Mr. EDWARDS (Frontenac): My figures were taken from the sworn evidence of Mr Rice Jones.

Mr. BROWN: Which referred to the terminals.

Mr. EDWARDS (Frontenac): Not at all.

Mr. BROWN: They did. The hon. member just shows how little he knows about the subject. I think I am right in this. When we revised the Grain Act last session an amendment was added requiring country elevators to make returns of their overages, but until then such elevators had never been required to make reports. I think I am correct, and that the hon. Minister of Railways (Mr. Dunning) will support me in this statement. So the hon. member did not have figures for country elevators. The figures he had referred to terminal elevators.

Mr. EDWARDS (Frontenac): I can give my hon. friend the evidence given by Mr. Rice Jones, which will support absolutely what I say.

Mr. BROWN: If hon. members wish me to make a brief explanation, I can do it, although it will take me away from the subject with which I intended to deal. I shall not go into it fully, but will simply illustrate. Different factors may enter into that overage. I admit at once that if a car of wheat goes to a terminal elevator and is wrongly weighed, —and remember, the weighing is done by a government weighmaster—the terminal elevator may benefit by that, and possibly some of the overage may be explained in that way. But that is not necessarily the explanation of overages.

Let me illustrate. A farmer sends a car of wheat down to the terminal elevator at Fort William. Passing through Winnipeg that car of wheat is graded by the inspector, and the amount of dockage determined. Let us suppose that a 1,000-bushel car of wheat is graded by the inspector as of a certain grade, with 4 per cent dockage; what does that

mean? It means that the terminal elevator has to account to the farmer for 960 bushels of wheat on that car. But remember, that car of wheat has to be cleaned. In actual practice they do not clean a carload at a time, but for the sake of my argument we will suppose that they do. Now it is a physical impossibility for the elevator operator to run that car of wheat through his cleaners and take out 960 bushels of wheat for the farmer and 40 bushels of screenings; it is no more possible for him to do it than it was for Shylock to take one pound of flesh, neither more or less. Very well; you put the terminal elevator up against that responsibility. What does the operator do? He cannot afford to be short, for he would have to make up the difference out of his own pocket, so naturally he takes care that he has a slight overage. He cleans it just a little light; it may be that he has 961, 962 or 963 bushels. That extra amount constitutes the overage on that particular car, and of course in the aggregate the overages amount to an immense sum. I do not say that is the only way, but in large measure that is the way in which the overage is built up.

This question of overage is one to which we western people have been compelled to give a great deal of consideration. A few years ago an amendment was made to the Grain Act making this provision, that the government should take control of all the overage from the terminal elevators except one-quarter of one per cent. That provision was declared to be ultra vires because of its interference with property and civil rights, and so it never really came into operation. It was inserted in the Grain Act again last year when we revised the act, and provision was then made in the act that these elevators should be declared works for the general benefit of Canada, just in order to overcome that constitutional difficulty. As I have said, this question of overage has always been a serious one for the farmers. We have endeavoured to meet it, and that was the solution offered by the Canadian Council of Agriculture. I want to say this also—I am in a position to know, because I was a member of the council—that that solution was brought to the attention of the council by the United Grain Growers, which was a member of the council. If hon. members were as familiar with some of these things as those of us who come from the west and are in constant touch with them, they would not make the wild and reckless statements they do. We naturally want this question of overages settled, but it cannot be settled in the way some hon. gentlemen have suggested, and it cannot be settled unles there is an understanding of all phases of the question. I am quite certain that with his present knowledge of the grain trade the hon. member for Frontenac-Addington cannot afford us any help in the solution of that problem. While I am on the subject of this much maligned company—

Mr. EDWARDS (Frontenac): Before my hon. friend leaves the question of overages, does he dispute my statement that there were 357,000 bushels of overages sold for $418,000?

Mr. BROWN: I am not disputing the figures at all; they are probably correct There was a larger overage than that even in the government elevator.

Mr. EDWARDS (Frontenac): That is the amount that went to the United Grain Growers.

Mr. BROWN: Why single out one grain company simply because of a prejudice against the manager of that company?

Mr. EDWARDS (Frontenac): Was my statement correct?

Mr. BROWN: I am not denying that the figures are correct. The point I am making is that the hon. member is drawing a wrong inference from them.

I want to say something further about this much maligned company. Many noble patriotic services were rendered this country during the war, and some things were done that were not so noble and patriotic. We have rolls of honour all through the country, and the records of this House will show that we might also have rolls of dishonour. But as to service rendered to the country, speaking only from the standpoint of material gifts, there was none more worthy of note than that rendered by the United Grain Growers, who turned over their whole export business at New York for the handling of oats at cost price for the allies. I do not remember the exact amount, but it ran into many, many millions of bushels.

Mr. EDWARDS (Frontenac): Was that the year they made 530 per cent?

Mr. BROWN: They never made it.

Mr. EDWARDS (Frontenac): Your own manager swore they did.

Mr. BROWN: He did not do anything of the kind.

Mr. MULLINS: Will the hon. gentleman permit me to read this letter?

Mr. BROWN: No.

Mr. MULLINS: For the benefit of the hon. member, I might say that I have a ticket here showing a difference of 50 cents a bushel as between the street and the track paid to the farmer by this company he is speaking of. They took 50 cents a bushel from the farmer.

Mr. BROWN: If I had the exact details, probably I should find the hon. member (Mr. Mullins) wrong too. I was saying, Mr. Speaker, that this much maligned company turned over its export business and handled millions of bushels for the allies without one cent of profit at a time when graft was rampant in some parts of this country. I do not expect hon. members will ask the details.

I had intended to deal with the question of fertilizers because of some remarks that were made on this subject some little time ago. I have, however, taken up so much of my time with other questions with which I had not originally intended to deal that I shall have to reserve a discussion of this question for another occasion, except briefly to refer to the statements that were made. The statement was made in a general way that fertilizers were higher priced here since the duties were removed at the same time that prices in the world's markets were lower. I have some figures here which show that at the very best there is not the slightest foundation for such a statement. The inquiries I have been able to make and the figures I have been able to secure, dealing with this matter as fairly as I can, show that there is absolutely no warrant for that statement, but as this question will come up again when the agricultural estimates are before us, I shall wait until that occasion to deal with the matter.

There are some other things I want to deal with. I want to come to some other hon. members who have put certain figures upon Hansard that I think will bear some criticism. The hon. member for Fort William (Mr. Manion) and the hon. member for East Algoma (Mr. Nicholson) have left themselves open, in my judgment, to very serious criticism. These two hon. members are still harping on the subject of imports. I was not able to understand all the figures that the hon. member for East Algoma put on Hansard, but the only conclusion I could come to was that he wanted to stop this trade altogether; I could not see any other explanation for it than that. Now if these hon. members really want to stop this trade altogether, I should like them to say so. They certainly want the tariff put up to such a height that it will stop that trade, so they say. Let me ask where we would get our revenue if that were done. That is the question that used to be asked of us when we advocated a reduction of the duties: Where would you get the revenue? I remember when the hon. member for West York (Sir Henry Drayton) was in Brandon in 1920 with the tariff commission. He was met there by farmers from all over the country. We advocated reductions in the tariff, and the invariable question was: Where would you get the revenue? And yet the arguments of these hon. members mean nothing less, if we carry them out literally, than that there will be no revenue from the customs tariff—at least not from this source. And then what about our revenue? I should like to know what system of taxation we are going to get that would be popular, or to which these hon. members will not offer criticism? The income tax has been condemned, the sales tax has been condemned, and now they want to shut off importation and we will have no revenue from customs duties. They have also denounced the "nuisance" taxes. Really, Mr. Speaker, I do not know what sources of revenue we should have left.

There is one statement made by the hon. member for East Algoma to which I want to refer. I will quote again from Hansard at page 2756. The hon. gentleman is reported there as saying:

> Why, one industrial city the size of Hamilton consumes more beef cattle in a single year than the whole Dominion exported last year, and that was the greatest exporting year we have ever had.

Mr. McMILLAN: They must sit up at nights there.

Mr. BROWN: To use a slang phrase, the people of Hamilton are some beef eaters. A little investigation of the records would show that if that statement is true this is also true—that the people of Hamilton each consumed two live animals, and 244 pounds of beef as well.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: That is, that every man, woman and child in the city of Hamilton ate two live animals and 244 pounds of beef.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: I will give the actual details.

Mr. EDWARDS (Frontenac): They did not eat them alive, did they?

Mr. BROWN: The figures are for the year. Now let me give the actual figures: Cattle, one year old, 42,506; cattle, more than one year old—that includes export steers—175,578; total 218,084. The population of Hamilton is given in the electoral returns as

107,487. I have estimated my figures at about 110,000 to allow for good measure. Now, possibly I am going to forestall an argument; the hon. member may come back and say, "Well, Hamilton is a bigger city than simply the electoral division; it includes the suburbs." Very well, we will grant that and so double the population. I will give the population as 220,000, and still you have one beef animal and 120 pounds of beef for every man, woman and child in the city.

An hon. MEMBER: You must remember that a million tourists stop there every year.

Mr. BROWN: Well, there is still a big margin. I think I have allowed sufficient margin by doubling the population.

I am going to refer again to the hon. member for East Algoma later on in my speech. I want to go back now to the hon. member for Fort William. The trade returns, he said, for 1925 show that we imported, largely from the United States, $149,201,000 worth of agricultural products that we could have produced on the farms of Canada, and we imported as well $236,000,000 of farm products such as cotton, tropical fruits, vegetables, and so on, which we could not produce in Canada. These figures, except that they refer to the wrong year, are correct as figures but have been wrongly interpreted as they have been used and as they have been presented to the country. I do not want to urge the point very strongly, but it is perhaps worthy of note that the figures the hon. member has given are for the year ending March 31, 1924. I do not know whether there is any significance in the fact that out of the three years that he gave —1923, 1924 and 1925—he chose the largest for the purpose of his argument. The exact figure, the figure I have used in my calculation, is $143,920,611. There is a difference of a few dollars between the figures as given in a monthly return issued by the Department of Trade and Commerce and the figures in the larger volume, Trade in Canada, for the same year, but the difference is so slight it can be ignored. One point I want to mention just here—and I have referred to it already—is that on this amount of imports we collected a total duty of $27,534,932, a by no means inconsiderable proportion of our revenue, and a sum well worth taking into consideration.

Now what about this $143,000,000? The hon. member tells us it is agricultural produce that could have been produced in Canada. My objection is not so much to the statement itself as to the implications of that statement, and sometimes the implications in a statement are just as important as a statement itself. The implication is that these were goods that we could have produced but did not produce. The fact is that we do produce large quantities of these goods. Some of them were exported, some of them entered into home consumption, and the conveniences of trade required that a considerable portion of the same goods that we have exported be imported. The convenience of trade brought about that situation and always will have that result, unless we either establish an embargo definitely or put the duty so high that it would amount to an embargo. So the implication that these were goods that we could have produced in Canada and did not produce is entirely wrong.

Mr. CAHAN: The hon. member admits we could have produced them?

Mr. BROWN: Certainly I admit we could have produced some of them, but if we did, there are conditions that at present we do not know anything about that should be taken into consideration.

Mr. CAHAN: Such as?

Mr. BROWN: The hon. member surely knows he cannot base a sound argument upon any hypothesis of that kind.

Mr. CAHAN: Will the hon. member please explain. I should like to know the grounds for his statement.

Mr. BROWN: I am going to analyse these figures a little further. These figures include not only raw materials but goods manufactured and chiefly or fully manufactured. Mr. Coats is perfectly correct in his compilation; I do not find fault with him, but I do find fault with the way the figures have been used by hon. members. The figures are as follows:

Raw material..	$52,258,600
Partly manufactured..	11,815,225
Fully or chiefly manufactured..	79,846,786

In that list of fully or partly manufactured goods we have the total wool products, and I think I have the correct figure, namely, $36,534,592, of the different manufactures that make up the vast total. In that list we find also alcoholic beverages and the figure of the imports is somewhere in the neighbourhood of $18,000,000 or $19,000,000. In discussing this matter I do not want to introduce my personal views in regard to liquor. I am willing to join with the hon. member for Fort William or anyone else in preventing the manufacture, sale and use of alcoholic liquor for beverage purposes, but

I am simply pointing out the fact that we did import that much liquor, and in that figure of $143,000,000 odd, alcoholic liquors are included, because they might be produced from Canadian grain. For instance, in the footnote of the page from which these figures are quoted I find the following:

Canadian farm products refer in case of imports to all commodities of which the basic raw materials are such as Canadian farms produce.

And of course alcoholic liquors are included because they might have been produced from Canadian grain. While I am not defending the traffic in alcoholic liquor, that traffic did bring in a revenue of $16,225,532 for that year. Surely that is not an inconsiderable revenue. We had better not venture a statement as to the amount exported and the amount manufactured for home consumption.

Mr. CAHAN: Suppose they are manufactured in this country, could they not bring in the same revenue under the same duty?

Mr. BROWN: Possibly in the case of alcoholic liquors that would be so, but there is also an excise duty on the goods manufactured here. However, I am not urging strongly the question of revenue. I am objecting to their being included in this list. Turning more directly to the raw products of agriculture, I said that the import trade in agricultural products would always go on for the purpose of convenience. Let me illustrate this. We imported hay in 1925 to the extent of $156,556, incidentally bringing in a revenue of $20,564. That was done for the purpose of convenience, because we exported in the same year $3,725,282 worth. So that the imports of hay were so insignificant as compared with the export that it only means we would have been inconveniencing our people if we tried to give absolute protection to the farmer who produced hay. Perhaps I should give a more extreme illustration, because it requires an extreme illustration to bring home the point. We exported straw to the extent of $154,186. We imported straw to the amount of $1,021, bringing in a revenue of $146. That was a matter of convenience. Is there any farmer from the western prairies, any member of the "kindergarten class," who would advocate a prohibitive duty on the import of straw? We need only mention it to hon. members to show the absurdity of the idea. Further there is included in that list of agricultural products the following:

Horses for exhibition..	$1,686,847
Live stock of other kinds..	56,553
Total..	$1,743,400

[Mr. Brown.]

These all go into the figures. I have no quarrel with Mr. Coats, but I have a quarrel with the man who would use these figures without such an explanation as I am making. Further items are :

Animals of all kind for the improvement of stock, goats, horses and sheep, 291,178.

I got these figures from the Department of Statistics. I notice another item, asses. Unfortunately we have been very negligent; I find there were none imported. Let us take a few more figures—I am not going to take them all. Take grains of all kinds; and I am going to use oats as an illustration. "We imported oats to the extent of $513,602, and incidentally obtained a revenue of $93,000 odd, but at the same time we exported oats to the amount of $16,044,436. Will any hon. member contend for a moment that in any degree these things work injury to the farmers? It is quite possible that in a few isolated communities some individual farmer might have had a supply of oats for himself and would have been able to charge his neighbour a little higher price in those local individual transactions if he had an absolute embargo or prohibitive tariff on oats, but the trouble is that these matters are considered from a parochial and sectional standpoint; hon. members refuse to take the wider view. I need only refer to the export and import of oats to prove that point. Then corn is included in the total figure.

Mr. EDWARDS (Frontenac): Does the hon. gentleman think it is fair that our duty should be five cents lower than the United States duty?

Mr. BROWN: It does not make a particle of difference. I am not worrying about that at all.

Mr. EDWARDS (Frontenac): Would the hon. gentleman take it off altogether?

Mr. BROWN: It does not make any difference, so far as protecting the farmer is concerned. If hon. members would kindly try to clear their minds of the idea that trade is necessarily war, and get it into their heads that trade is carried on for the mutual benefit of the parties engaged in it, we would get on a great deal further in the discussion.

Mr. EDWARDS (Frontenac): Would we take it all off.

Mr. BROWN: Their ideas of trade are very much like those of a boy I once knew. This is an actual fact and happened in my district. The teacher in the school—and it was not a kindergarten, either—was trying to instruct the boys in the theories of trade. He was

telling them that trade in its essence was the exchange of products: a man with a horse would trade the horse for something else that he wanted of equal value. Whereupon a boy in the class said, "That would not be any kind of trade at all." The only idea of trade which that boy had was that he must be getting the better of somebody; a trade was not a trade at all unless one party was getting the better of the other. That is the fallacy that underlies all the arguments that come from these hon. gentlemen.

Mr. CAHAN: What is the hon. gentleman's idea of trade?

Mr. BROWN: Mutual convenience, mutual benefit.

Mr. CAHAN: Is it not far better to have that mutual convenience, mutual benefit and mutual profit in one's own country, than to have convenience, benefit and profit on only one side of the bargain as is the case when you trade with people outside of the country?

Mr. BROWN: The trouble with hon. gentlemen again is that they single out one part of the community and say: We are the people.

Mr. CAHAN: I am afraid the hon. gentleman is depending upon his imagination for his facts.

Mr. BROWN: I mentioned the question of corn and I want to deal with it. We import large quantities of corn for purposes of distillation. I do not know whether it is better or worse than any other grain, but I will give the figures. We imported $874,306 worth in 1925, and incidentally we got a revenue from that of $58,436. As regards corn not for distillation, which will be very largely for feeding purposes, we imported $7,780,919 worth. These hon. members are contending that all these imports are to the disadvantage of the farmer and the community generally. Who wants and uses that corn, and for whose benefit are we importing it? It is very largely for the farmers of Ontario. As a western farmer, as a member of a section of the country that produces for sale large quantities of feed grain, such as oats and barley, I am not going to come to parliament and ask that in our interests the Ontario farmers, who are all said to be protectionists, be deprived of getting that feed stuff, because the use to which they put it is of immense value to the people of Canada.

Another item is hides, and I will only mention the figures because I am going to deal with this matter a little later on. We exported $7,163,888 worth of hides and we imported $8,279,492 worth, or an excess of imports over exports of roughly speaking, a million dollars.

Mr. NICHOLSON: What year is the hon. gentleman quoting from?

Mr. BROWN: The year ended March 31, 1925.

Mr. NICHOLSON: Not the calendar year 1925?

Mr. BROWN: No. I have confined my remarks to the year mentioned by the hon. member for Fort William except that he took the year 1924. I am dealing with the year 1925, but both of us are using the fiscal year. I am prepared to admit that there may be a slight error in my additions, because I did not get these figures from the statistical department; I had to compile them myself from the larger work, Trade of Canada, but I was careful with my figures and there is very little error. We admit there is an excess of a million dollars of imports over exports in the matter of hides.

Mr. SUTHERLAND (South Oxford): Would the hon. member give the figures in pounds?

Mr. BROWN: I have not that at hand: I did not think it was necessary for my purpose. The hon. gentleman can easily get the figures himself.

Mr. NICHOLSON: Has the hon. member the figures for unmanufactured leather?

Mr. BROWN: Yes. I am going to deal with the whole question of leather a little later on. I might have said that the total importation of leather, manufactured and unmanufactured, that is included in that list of $142,000,000, amounts to $7,324,028, incidentally bringing in a revenue of $1,307,113.

I want to go on to some of the other items included in this total. We imported nursery stock to the value of $1,123,949. We scour the whole world for nursery stock for the betterment of our gardens and orchards. I find that one of the items which go to make up this total is rose bushes brought in from England. Will any one seriously contend that we should not be carrying on that trade?

As regards hops, we exported $236,176 worth and we imported $826,690 worth, incidentally bringing in a revenue of $199,051. That is a trade in which the exports and imports do not exactly balance, but it is a trade that is carried on for mutual convenience and it is quite evident that we do not produce enough for our wants. Then there is the question of turpentine.

9 p.m.

Surely nobody will contend that turpentine—that is, for the purpose for which it is being used—should be included in that list; but we imported turpentine to the value of $823,593. I might mention animal manure, glycerine, and lard. As regards lard, we admit that $638,157 worth was imported, but we exported lard to the value of $1,681,462 and we incidentally got a revenue of $99,500 from the imports. Therefore even in the matter of lard, as regards which there has been some criticism, our exports exceeded our imports by a little over a million dollars.

The severest criticism has been made in the case of fruits and of course we admit that these fruits are being imported. We imported fresh fruits to the value of $5,035,328 and fresh vegetables to the value of $4,118,221, but our exports of fruits are in excess of our imports by very large sums. I want to be absolutely fair, and I might say that in connection with those fruits I took in account such things as these. I have been very liberal in making up this estimate because some things are included in it that I think properly might be left out, but because these or similar things are or might be produced in Canada, I included them. For instance, I have included imports of apples to the value of $867,826. I have included apricots, quinces, nectarines, wild berries, blackberries, gooseberries, raspberries, cherries, cranberries, currants, grapes. We imported fresh grapes to the value of $862,298. Our Canadian fresh grapes are on the market for only a very short period of the year and therefore it must follow that while this amount is included in our imports these are kinds and varieties that can not be produced in Canada. And yet, because grapes are produced in Canada, the amount is included here. The same thing applies to melons, the figure in this case being $320,885. It is true we do produce some melons in Canada, but does anyone seriously contend that we could meet the demand for melons with the home production? We can therefore reduce the total in connection with these two items by well over $1,000,000. Then there are pears, plums, strawberries and so on.

The figure I have here in regard to fresh vegetables such as onions, potatoes, tomatoes, cabbages and others not otherwise provided for is $4,104,000. There is a slight variation between it and the figure I gave before, but that makes no difference. I find that the amount in the case of tomatoes is $903,816, and these imports come in at a time of year when we are not producing any tomatoes. I know that tomatoes can be and in fact are being produced in Canada in hothouses. In conversation with a hothouse grower in Hamilton with whom I am well acquainted I learned that he was producing large quantities in his hothouse, selling them on the Hamilton market wholesale—at any rate, he did with his last crop—at $5 per fifteen-pound basket. Now these are the prices which the people of Hamilton are paying for hothouse tomatoes. They want to live up to that high standard and they expect us to give them protection for the industry that caters to their expensive taste. The imports represented in the figure I have just quoted are tomatoes that are sold through the country at a time when, with the exception of the hothouse fruit, there are none on the market. Is anyone going to say that we ought to stop that trade? I do not think so.

Mr. MORAND: Did the hon. member state the time of year when these imports come in?

Mr. BROWN: No, but they certainly cannot to any great extent come into competition with our tomatoes once the local product is on the market.

Mr. MORAND: Most of the tomatoes included in that item are grown in hothouses in the United States where they are produced more cheaply.

Mr. BROWN: I do not think that is relevant at all. As a matter of fact I think the hon. member is wrong, but from what I gathered from that Hamilton grower to whom I have referred and with whom I am well acquainted he does not fear competition from the American article even if it is grown in hothouses, for the simple reason that it is inferior in quality to the Canadian product. But I do not think that the tomatoes imported could be grown in hothouses judging from the character of the fruit itself. Those tomatoes are grown in the south and are picked in the green state and are shipped north. However, the fact that they may be produced in hothouses does not enter into the argument at all.

Now I shall discuss for a moment or two the hide situation. The hon. member for East Algoma made the statement that the western farmers were breaking their farms with teams of horses the harness on which was made out of hides taken off the backs of Argentine republic steers. And he appeals to our prejudice on that ground. Just let us analyse the situation. I stated before that our total imports of hides were $8,297,492, and the exports $7,163,888. I want to deal

particularly with two of the larger items, showing the extent of our imports as compared with exports. Take cattle skins: the imports amount to $5,342,085, and the exports, $4,884,201, a difference of half a million or thereabouts. Now I took the trouble to ascertain the price per pound at which these hides were sold. I may observe, by the way, in connection with the hides we import that they come principally from three countries, the Argentine, Uruguay and the United States, the imports from other countries being practically negligible.

Mr. TOBIN (Wetaskiwin): Was that for the year 1925?

Mr. BROWN: The year ending March, 1925. These hides which we import from the three countries I have mentioned are heavy hides that are wanted for a specific purpose. I am informed that certain tanners in Kitchener do not use a single pound of Canadian hides; they do not want them for the simple reason that they are altogether unsuitable for their purpose. They want the heavy hides that are produced in the southern countries. I find that we paid thirteen and a half cents per pound for those hides, while the hides produced in Canada brought only eleven and a third cents. Surely the difference between the two prices must suggest something to hon. gentlemen. Our tanners do not import hides at thirteen and a half cents per pound simply because they are foreign, when Canadian hides are sold to our neighbours for eleven and a third cents. They must have wanted the imported hides for a special use. The hon. member for Marquette (Mr. Mullins) will bear me out in this, for he and I have talked the matter over. He knows that I am right, as in fact he has admitted. The hides that Canada produces are suitable for certain purposes, but not for others. We use a very large proportion of the home product locally, and if all Canadians consume as much beef as they do in Hamilton we must use an enormous amount of hides. Then it must be remembered that a lot of hides exported were exported on the backs of the animals. We cannot export the animal and keep the hide. These things have to be taken into account.

Mr. CAHAN: Does the hon. gentleman in the list of hides include those on the backs of the animals exported?

Mr. BROWN: No, that is only by the way. I am simply referring to the fact that we do use large quantities of our home grown hides, and we use them for the purposes for which we want them. We export the surplus that we do not need, and then we import other hides that we do want. That is my argument. We import them only because we want them, and are willing to pay the extra price to get them.

Mr. CAHAN: And you suggest that we cannot grow the heavier hides in this country?

Mr. BROWN: Yes. In proof of my statement, there are tanneries that do not use a single pound of Canadian hides because they do not serve their purpose.

Some hon. members plead for the industries of Canada, and the hon. member for Muskoka-Ontario (Mr. McGibbon) some little time ago spoke of tanneries that were closed up. Yet these hon. gentlemen, appealing to the prejudices of the farmers on this question of imported hides, are advocating a policy which would mean that these tanneries could not get the raw material that they want. The result would be the tanneries would be closed, the men would be out of employment, and we would lose a tremendously profitable business. That it is a profitable business I am going to show the House by further figures. In dealing with hides we must take into account leather. An hon. gentleman a little while ago asked about unmanufactured leather. I will give the figures. They refer to leather that we export, which business would in large measure be shut off if we did not purchase these other hides:

Harness leather	$ 385,568
Sole leather	2,324,961
Upper leather (probably very largely made out of our own local hides)	4,580,892
All other leather	92,467
Total exported	$7,383,888

Now, bear in mind that the following figures are for our imports of unmanufactured leather, namely, $3,954,482 worth. In other words, our excess of exports is well over $3,000,000. I want to remind the House that of those exports there went to the United States—the country that we cannot compete with—out of the total of over $7,000,000 worth the very large proportion of $5,311,184 worth. This is the kind of trade that these gentlemen want to stop. At least, they would stop it if we carried out the policy they are advocating, for that would necessarily be the result of putting it into effect.

Mr. CAHAN: How would the protective policy in Canada prevent your sending to the United States leather manufactured in Canada?

Mr. BROWN: It was not that feature of it I was condemning; it is the contention that we should not import these hides, that the farmers should be given protection against them. That is the point of the argument I am attacking. To secure raw material is just as necessary to the trade as it is to get the market where you have the leather made.

I must apologize, Mr. Speaker, for taking up the time of the House at such length.

Some hon. MEMBERS: Oh no.

Mr. BROWN: I have said on many occasions that no man should speak for more than an hour. I have already overstepped my mark, but I have been led off into many highways and byways. However, I hope I have been able to prove the point I set out to prove. I said I was not going to develop a constructive argument, but that I wanted to demolish absolutely the fallacious arguments that had been advanced by members sitting to my right.

An hon. MEMBER: You have done it.

Mr. BROWN: I think I have been able to show with some degree of success the fallacies of the position that they take.

I said I was not going to deal any further with the budget, but I cannot refrain from making a remark in regard to the question that is brought up in the amendment—the reduction of the duties on automobiles. I want to point out, especially for the benefit of the hon. member for Marquette, the hon. member for Neepawa (Mr. Murphy), and the hon. member for Springfield (Mr. Hay), that in my election campaign I was opposed by a Conservative. He announced his policy and said that if he got into parliament he would stand for the reduction of the duty on autos. He declared, "That is our policy, that is what we will do."

Mr. MULLINS: That gentleman got defeated, did he not?

Mr. BROWN: He was defeated; but a man who was infinitely more honest in regard to the question of automobile duties was elected.

Mr. MULLINS: I mean your opponent was defeated on that auto question.

Mr. BROWN: I undertook to show that no matter what this particular individual said, it was not his policy that would govern but the policy of the Right Hon. Mr. Meighen. I do not think the people were at all deceived by the statement that he made. At least I took good care that they understood the facts of the case, that when a resolution was introduced into this House a year ago for the reduction of the duty on automobiles the members of that party in large measure—there were six who voted otherwise and others took good care to be absent; anyway, they were absent—that the members of that party to the number of twenty-three voted against the reduction. I did not forget to let the electors know that. On the question of the reduction of the duty on automobiles, I think I am safe in asserting that it will meet with the approval of the people of Manitoba, and I would just like to say for the benefit of my hon. friends that as I took good care that the people were not deceived at the last election, so we will take good care if we have to deal with the matter again to see that the situation is correctly presented to the people and that hon. members will not be able to escape on a technicality.

Mr. MURPHY: Is the hon. gentleman insinuating that we tried to deceive the people on that occasion?

Mr. BROWN: No, nothing of the kind. I am simply pointing out that we will watch with a great deal of interest the votes of hon. members from Manitoba on this particular question.

Mr. MULLINS: I am particularly well satisfied that you specified Marquette, because by your threats you might induce me to run next time.

Mr. BROWN: If I was thinking of things only from the political standpoint I would almost be tempted to hope that the hon. gentleman and his confreres would run, for I am sure they would not be elected. But since the welfare of the country demands that the budget be supported, I naturally hope they will have regard to the national welfare and support the budget, as I intend to.

Mr. J. F. POULIOT (Temiscouata): Sir, several years after a member of this House had described one of his colleagues as "the gramophone of Mackenzie and Mann" and several months before the appearance of the last article of the Montreal Star on the Conservative leadership, a most famous oration was delivered in Hamilton. May I quote the beginning of this speech in the Montreal Gazette of November 17, 1925?

"I do not speak the language of resentment or of bitterness. I speak only the language of truth when I say that never in the history of elections in this Dominion has a great party stooped to methods at once so dishonest and so dangerous as did the Liberal party in the late campaign in the province of Quebec," declared the Right Hon. Arthur Meighen, Conservative leader, speaking at a banquet given here to-night by the Wentworth Conservative Association in honour of

Gordon C. Wilson, member-elect for Wentworth. "While the Prime Minister," said Mr. Meighen "was talking unity in English-speaking Canada, and was presenting himself as its only true guardian and apostle his lieutenants were adopting every means known to the platform speaker or the pamphleteer to stir up all the old war animosities and to conjure new fears and new hostilities in the minds of the good people of Quebec."

In reply to this statement may I read part of an article headed "The Conservative Party" published in September, 1924, before this famous Hamilton speech?

Is the protectionist party poorly led? The late election (St. Antoine) seems to supply an affirmative answer. . . . . A gathering of Conservatives wedded to protection from which men of note like Mr. Sauve and his eminent colleague, Mr. Patenaude—

He is not so eminent now:

—are conspicuous by their absence, denotes the weakness that neither excuse can explain nor conditions justify. Without unity there is no strength. Why these things are, all know. To paraphrase Chatham, "It is not repealing a piece of parchment that can restore Quebec; you must repeal her fears and her resentment." Leadership is not all, but it is much, as the radiant eras of Macdonald and Laurier attest. Few possess the personal magnetism which compels confidence and loyalty, and the golden tongue of oratory, and we cannot hope to soon look upon the like of these men again.

A convention of delegates drawn from all parties of Canada should be summoned in order that a declaration of principles be drawn up, a spirit of co-operation and confidence cultivated, local leaders consulted, and free expression given to party preference on the subject of leadership. It is the simple truth that for a long time the practice has been to attain the office of leader by descent—

I would like my hon. friends opposite to note those words—

—and not by selection by representative delegates, and it may well be worth while trying the latter method. For a surety, whoever may lead the party when the fight is on will possess greater prestige, greater authority and greater popularity, if he be the choice of a convention and can rally to his support all who believe the policy he presents best calculated to promote the welfare of Canada. It would be folly to pretend that such a situation now subsists.

That is not taken from Le Soleil or Le Canada, but from the Montreal Gazette, whose chief editor at that time was the present member for Mount Royal (Mr. White) in this House, a firm supporter of the right hon. leader of the opposition.

May I quote another short extract from another Quebec paper? This article is also headed "The Conservative party." It is the title that best suits that kind of article.

Sir GEORGE PERLEY: If the hon. gentleman will allow me, the hon. member for Mount Royal is no longer the editor of the Gazette.

Mr. POULIOT: He was editor when this article was written on September 9, 1924.

Sir GEORGE PERLEY: One of the editors.

Mr. POULIOT: The article reads:

The Conservative party, under its present leaders, is beaten now, before the next general elections start.

This was published, not in Le Soleil or Le Canada, but in the Quebec Chronicle, a Tory paper, of September 30, 1924.

I have another quotation from a letter to the Montreal Gazette, dated December 10, 1924, also before the famous Hamilton speech. I will read only the most interesting part of the letter, which I am sure several hon. members have already read. It is also entitled "The Conservative Party," but it is not written by a Liberal:

His defects (Mr. Meighen's) seem to lie in his apparent indifference to changes of public opinion, his dislike of new ideas, his reluctance to analyze current economic problems to which he is not accustomed and which tend to disturb the fixity of his own preconceived opinions, and his seeming lack of discernment and tact in dealing with his fellowmen.

Another apparent defect in Mr. Meighen's leadership is his overweening desire to preserve a semblance of personal consistency in his political opinions. The electors are only slightly interested in the aberrant mental growth of any individual, whether he be leader of the government or of the opposition.

Yet when Mr. Meighen comes to Quebec, his addresses seem to sound a note of challenge to each of his hearers to find any flaw or fault in the conduct, during the war, of the administration of which he was a member; and he thus provokes a division and vote upon issues which had best be deemed dead and buried and upon which he can never hope to procure in this province a popular verdict favourable to himself and to his colleagues of the old regime.

The Conservative electors of this province frequently express regret that the Conservative leader seems to regard the consistency of his own personal history as of so much more vital importance than the future progress and prosperity of the country, that, instead of utilizing existing conditions as a means of restoring the Conservative party to place and power, he ignores the problems of the present and creates widespread distrust by diverting public attention to the dead issues of the past in respect to which he may never expect the approval of a large majority of the Quebec constituencies.

As I said, this was published in the Montreal Gazette of December 10, 1924, and after having read that I am sure the right hon. leader of the opposition must have said to the hon. member for St. Lawrence-St. George, "Tu quoque, Brute."

The other day my hon. friend from Fort William (Mr. Manion) quoted a letter from a gentleman of the province of Quebec about home-made carpets. I asked him if the letter came from Mr. Patenaude, and he said:

No, but I do say this, that a lot better things come from Mr. Patenaude than from my hon. friend, judging by some of the speeches he has delivered in this House.

Well, I may be able to please my hon. friend from Fort William this time by quoting

and allowing him to read in Hansard tomorrow morning, as he is not in his seat at the moment, a false argument made by Mr. Patenaude himself in his maiden speech at St. Laurent last fall, on the 19th of September. In that speech, which has been reported by all the papers, Mr. Patenaude stated two things which are contradictory, and which show his insincerity. First he said:

I do not intend to create a third party.

Next he said:

I am free of Mr. King as well as of Mr. Meighen.

Now these two things are contradictory. If he was not going to create a third party, how could he be independent of Mr. Meighen and Mr. King? That is very hard to understand. May I quote to the House what took place at a joint meeting held during the last election?

A man in the audience asked:

If it is true that you are free of Mr. Meighen as well as of Mr. King, on which side, you Patenaude candidates, will you sit in the House?

We will stand up.

Anybody familiar with the rules of the House knows that no hon. member can stand in the House while another member has the floor. But so few Patenaude candidates were elected that this statement is not of any consequence. A man in the audience said:

"You say you will stand up if you are elected. That is too tiresome. To give you a chance to rest we will force you to stay home."

Now, Sir, what was the real purpose of Mr. Patenaude in running as Liberal Conservative leader in the province of Quebec? Was he influenced by motives of patriotism? Did he act as the result of money considerations? No, I think it was capitalism that pushed him into the fight. The matter is very well explained in an article in the Montreal Gazette, and it seems that I am destined to quote mainly from Tory papers to-night. The article in question appeared in the Montreal Gazette of September 22, 1925, and contained the following statement:

Mr. Patenaude has entered the federal field to turn out the King government.

This with respect to a man who is supposed to be independent. The article goes on to say:

He has no praise for its work, no respect for its policy of drift, only contempt for politicians without stable views who count noses before they determine lines of legislation. Mr. Patenaude is not a Janus.

I do not know who wrote that article. I do not know whether it was the hon. member for Mount Royal (Mr. White) or somebody else. Whoever the writer was he made a big mistake because if Mr. Patenaude was not a Janus he did not always tell the truth. I continue quoting:

He has not two faces looking in opposite directions, but is a man of fixed convictions and firm resolution, fit to be trusted. His platform is made of Conservative planks. While steadfast in support of the constitution and of the rights of Quebec, in the broad spirit as well as the narrow letter of that charter, he believes, as he well may, that a prosperous and contented French-Canadian province contributes enormously to the prosperity and contentment of the whole Dominion, in the general welfare of which he is deeply concerned. His return to a larger arena of political activity—

His return was stopped, by the way.

—than he has recently engaged in is one of the most hopeful signs of the day, hopeful for the success of Conservative principles, hopeful for new policies in government, hopeful for the hush of provincial strife and the burying of issues long dead. It is the present and the future that concern Canadians. They are in a rut. The country drifts without strong leadership and sage counsel, such as men of the type of Mr. Patenaude can supply. Behind him, we believe, will rally men of good purpose and strong patriotism, men who are convinced that conditions call for change of government. To all these the new provincial leader appeals for support, and that appeal, we are confident, will not be made in vain.

It has been made in vain. How did Mr. Patenaude's friends try to turn out the King government? The story is very interesting. I will read another quotation from the same Tory paper, and the gentleman speaking is not a Liberal but a die-hard Tory, Dr. Thibaudeau, of Two Mountains. His speech was made at a convention to choose a Conservative candidate, and Dr. Thibaudeau, who as I have said is a genuine Tory, expressed himself as follows:

Dr. Thibaudeau said his impression was that Mr. Fauteux, who was too good a man to risk a seat, would have a better chance elsewhere.

He was a bad prophet, that fellow. The report goes on to say:

A hint was then dropped by the speaker about the unpopularity of Hon. Mr. Meighen, for which reason he would support Mr. Filion, who, being a new man had had no relation with the federal leader of the party.

Mr. Filion is Mr. Patenaude's legal partner. that is the reason why he is such a good man, according to Mr. Thibaudeau. The report goes on to say:

The convention should therefore consider the letter before them as final as regards the decision therein. He supposed, he said, that Hon. Mr. Fauteux had realized the unpopularity of Mr. Meighen would reflect on him in such a way as that it would be impossible to overcome in the country that obstacle to his election.

That speech was made at the Conservative convention at St. Eustache, and is reported

in the Montreal Gazette of September 28, 1925.

Now, may I quote a little interview that was published by Le Devoir of September 30, 1925. I will translate the interview, which is in French, for the benefit of hon. gentlemen opposite:

An old Conservative member from Ontario, very well known for his military and financial activities, was lunching last week with a Montreal friend.

"Colonel, are you interested in the elections? You are a die-hard Conservative."

"Yes, a Conservative, as there are very few now in politics."

"But they say that Mr. Meighen's party is very strong in Ontario."

"Not amongst the out-and-out Conservatives. He is not considered as a Conservative and he has none of the characteristics of the true Conservative. He is not safe. He falls into state socialism and seems to be a visionnaire. May I tell you a thing that will perhaps surprise you; I, an old member, a veteran of politics, who hears the bugle call like an old war horse, in election time, I go. . . . .hunting. And several friends of mine will do the same. We wish that Mr. Meighen is beaten in his own constituency, sa that we might get rid of him once for all.

These sentiments were uttered by a gentleman clearly indicated as an old Tory member of the province of Ontario. This gentleman's name is not given in the paper but it has never been denied.

Mr. FOSTER: He would be a great friend of the leader of the opposition.

Mr. POULIOT: Well, I do not know whether he ever made a horse trade, or whether he ever indulged in horse racing, but what he said is horse sense. If my hon. friend desires me to do so I will quote the words uttered by Sir Robert Borden in this House in 1915, and then he will hear those words again. May I quote now from the Montreal Gazette of September 19, 1925, a report of a speech by the right hon. leader of the opposition in Charlottetown. The right hon. gentleman is reported to have said on that occasion:

The principles which the Conservative party had advocated in the last election campaign were intact, Mr. Meighen said. Conservatives came before the country with no broken pledges.

This was before the Hamilton speech. May I now give a quotation from the speech of a prominent Conservative gentleman, Mr. Thomas Louis Bergeron. It is reported in Le Soleil, of September 22, 1925. He said:

As for me in the present election, I support the Liberal candidate Mr. Sylvestre. Since 1917 I have fought with you, Liberals, against the ideas of the Conservative leader. Since 1917, did Mr. Meighen abandon his political ideas? I find the same men with him.

And sometimes when I look round at the House I am surprised to see the same men who were with Sir Robert Borden when he was in the House. I should like to repeat to my hon. friends the old Greek proverb: "Tell me whom you go with and I will tell you who you are." It is old Greek wisdom. Some time ago there was an interesting editorial in the Toronto Mail and Empire. I went to the library to get it, but I found that the page had been cut out of the file. I was able to find the editorial, however, in a French paper, and I will give an extract from it in English for the benefit of my hon. friends: Referring to the leader of the opposition, this was published in the editorial page of the Toronto Mail and Empire of December 14, 1925, page 28:

He does not presume to tie his party up to a mode of procedure that has his present-day approval.

Some time ago my hon. friend from St. Lawrence-St. George (Mr. Cahan) made a short speech of five hours. I asked him when he adjourned the debate on Wednesday afternoon if he would be good enough to read also a part of his Toronto speech. This was a great speech, and I note it was published in extenso in the Montreal Star the same day it was delivered in Toronto; that is good information service. I read from Hansard of February 17, as follows:

Mr. Pouliot: Would the hon. member be good enough to read also part of his Toronto speech?

Mr. Cahan: As it is now six o'clock, I will reserve that for to-morrow, when I am perfectly willing to read the whole of it if the hon. gentleman will repeat his question.

As I did not repeat the question and he did not read the speech, I will have the pleasure of dealing with it myself. I have here a copy in extenso of the report in the Montreal Star of December 8, 1925.

Mr. CAHAN: Do you not think it was a very good speech?

Mr. POULIOT: I cannot judge of it, and I must leave it to the House to judge. I am sorry the right hon. leader of the opposition is not here. He is the man who could judge of the appropriateness of the speech.

Mr. CAHAN: What is your opinion?

Mr. POULIOT: I am sorry that some hon. members speak in a Liberal way and vote in a Conservative way.

Mr. CAHAN: When has any issue embodied in the Hamilton speech ever been before this House in a vote?

Mr. POULIOT: Louder, please.

Mr. CAHAN: The hon. member insinuated with respect to myself that I speak in a Liberal way and vote in a Conservative way.

I ask the hon. member whether that applied to my speech. Was that not a good Conservative speech, and does it not meet with the approval of the Liberals of the province of Quebec also?

Mr. POULIOT: I am very sorry that my hon. friend speaks against his leader and votes with him. That is the point. If he spoke in a Liberal way, how is it he never supported the Liberal party in this House?

Mr. CAHAN: The government has never introduced a real Liberal measure in this House to be voted upon since I came here.

Mr. POULIOT: It is a very funny thing that when my hon. friend goes to Toronto, which is a Tory city, he thinks Liberal, and when he is in Ottawa he thinks Conservative.

Mr. CAHAN: When he is in Toronto he speaks good Conservative doctrine and when he is in Ottawa he also speaks good Conservative doctrine, and in the province of Quebec he speaks also in the same way.

Mr. POULIOT: I shall be very glad tc read his speech myself.

Mr. CAHAN: I offered to read it and I will be very glad if my hon. friend will read it.

Mr. POULIOT: The right hon. leader of the opposition would be a little surprised at the language used by my hon. friend in Toronto, where he had no reason to meet with any kind of obstruction. On December 8, 1925, a year after the famous letter in the Montreal Gazette which has been quoted, he made that speech. It is directed against the leader of the opposition. It was late in the fall, just before the winter. This seems to be a yearly occurrence. I will read it:

> It may be that the personal policy which Mr. Meighen recently announced at Hamilton, and more recently at Bagot, may temporarily turn the tide of local sentiment; but speaking also personally, with a quite intimate knowledge of the views and sentiments which generally prevail in the province of Quebec—

What does my hon. friend know about the sentiments which prevail in Saint Jean de Dieu, Notre-Dame du Lac and Saint Paul de la Croix?

Mr. CAHAN: Does the hon. gentleman want a reply to that?

Mr. POULIOT: Yes.

Mr. CAHAN: I think that generally speaking I know the sentiment of Quebec quite as well as my hon. friend. I knew the sentiment of Quebec before he was born. I have lived there and been in contact with a large part of Quebec as long as he has, and I think the statements I have made with regard to the sentiment of Quebec are amply justified.

Mr. POULIOT: I will continue; I am very sorry for the interruption because it breaks the charm of the quotation:

> I do not believe that the Hamilton pronouncement will be regarded, either in Quebec or in the other provinces of Canada, as binding upon the conscience and judgment of the Conservative party as a whole, nor as controlling the discretion of parliament, whenever grave international complications may arise in the future. Nor do I believe that such a pronouncement made by a political leader, however able and esteemed he may be, will serve to remove permanently the estrangement which at present exists between Quebec and the majority of the provinces outside of Quebec.

This is honey or maple syrup in a barrel of vinegar.

> Personally, I am confident that a clear understanding could be reached by which these vital interests could be dealt with effectively by the Conservative party of Canada, which has now the largest representation in the House of Commons, but that end and object can only be attained by maintaining unity and solidarity of the Conservatives throughout all Canada—

I do not know whether it is by speaking against the right hon. leader of the party that my hon. friend wanted to promote confidence amongst the members of the party. The letter continues:

> —and, more than that, the unity of the Conservative party in Canada can only be maintained if and so long as the leader or leaders of the Conservative party shall avoid all mere temporary expedients.

The right hon. leader of the opposition must know that this comes from one of his supporters, one of his best friends who always votes for him. I would not dare believe that if it had not come from a Tory. If a Liberal had said that to me, I would have answered: You do not know Mr. Meighen. Mr. Meighen must be better than that. But this comes from one of his closest friends, a man who has voted with him since the beginning of this session, so what can I say. I say: He knows him very well; it must be true. What I would not believe from another fellow, I am bound to believe when it comes from the hon. member for St. Lawrence-St. George (Mr. Cahan). He says he knows the people of Quebec very well. He is a psychoanalyst; he has studied psychology and he must know the leader of the opposition very well. When his name is mentioned in the papers, he is called not only by his first name and his family name, but it is always Mr. So-and-So, the eminent Montreal lawyer. I do not think that kind of lawyer defends his leader very much even in Ontario. I do not like to be disagreeable to my hon. friend;

I respect him very much and this is why I am surprised that he has revealed such a secret. This is not what happened to Noah. When Noah was drunk, his sons were told to bring a blanket to cover him, but my hon. friend uncovers his leader. This is perhaps why he has lately defended the sale of liquor. The hon. member continued:

But that end and object can only be attained by maintaining unity and solidarity of the Conservatives throughout all Canada, and, more than that, the unity of the Conservative party in Canada can only be maintained if and so long as the leader or leaders of the Conservative party shall avoid all mere temporary expedients and all off-hand and captious decisions, and shall call to their councils for the due consideration of these questions the representatives of all sections of this wide Dominion.

Is it not great? This is one of the best orations I have ever read in my life.

Mr. CAHAN: What objection does the hon. member have to it?

Mr. POULIOT: I have this objection, that I think party supporters must have respect for and show loyalty to their leaders. That is my point. I show loyalty to my leader; I am ready to defend him because I am proud of him. If my hon. friend is not satisfied with his leader, the only thing for him to do is to vote against him, come over to our side and vote with us.

Mr. CAHAN: However much I may differ or may have differed from my right hon. leader, he is so far superior to any leader on the opposite side and his measures are so far superior that an independent man could not but endorse them.

Mr. POULIOT: I have only one question to ask of my hon. friend. Were my quotations correct?

Mr. CAHAN: I think so, as nearly as I can remember.

Mr. POULIOT: That is all I want.

Mr. BELL (St. Antoine): When the hon. member refers to the leader of his party, does he mean the hon. member for Prince Albert (Mr. Mackenzie King) or the hon. member for Brandon (Mr. Forke)?

Mr. POULIOT: Our party is the Liberal party and we are very glad to defend our leader the Prime Minister, when he is attacked in such a dirty way as he has been attacked in Quebec by some of the Patenaude speakers. I am glad my hon. friend has brought the question up. I will answer him immediately by quoting an extract from a speech by Mr. L. J. Gauthier, a former member of this House, and I am sure that this extract from his speech will not meet with the hon. member's approval.

10 p.m.

I am sorry the leader of the opposition is not in his seat. I would ask him if he approved of what was repeated throughout Quebec by the ill-fated L. J. Gauthier. I dare not believe so. May I quote the following to the shame of that Patenaude speaker? I take this quotation from a small French Tory paper called "L'Homme Libre" under date of Saturday, September 12, 1925. I wish to quote it because it was said in my constituency at Rivière-du-Loup, and I heard that fellow himself say the following:—

En remaniant la maison de Laurier, en vendant sa bibliothèque à l'encan, je dis que M. King a porté une main criminelle sur l'idole de la race. La salle où le grand homme d'état travaillait à résoudre les problèmes angoissants de l'avenir du pays, M. King l'a transformée en une salle de danse.

Et ensuite cette vieille canaille de Gauthier disait:

Ma réponse, la voici. Continuez à salir ma réputation; continuez à salir mes cheveux blancs, je continuerai à combattre pour ce que je crois être les meilleurs intérêts de mon pays et personne ne pourra m'empêcher de proclamer la vérité.

May I translate this:

By making alterations to Laurier house, by selling Laurier's books by auction, I say that Mr. King has put a criminal hand on the idol of the nation. The library where the great statesman studied such important problems relating to the future of the country, Mr. King has changed it into a dance hall. . . .

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: Will any hon. member on the other side take the responsibility of what has been said there? They are good at shouting "Hear, hear", but they are not good at getting up.

Continue to throw dirt on my reputation. . . .

This is the way the old dirty scoundrel was speaking:

Continue to throw dirt on my reputation, continue to throw dirt on my white hair; I will not cease to fight for what I think are the best interests of my country, and nobody will prevent me from proclaiming the truth.

This is one of the most infamous and direct lies uttered by a filthy liar who suffers from halitosis of speech. Laurier's books never belonged to the Prime Minister. They were left to Sir Wilfrid Laurier's nephew, Mr. Robert Laurier. They were his own property; they have never been the property of the Prime Minister, and Mr. Robert Laurier has given me some of those books which bear the signature of Sir Wilfrid Laurier. The Prime Minister could never have sold those

books; they did not belong to him; he never had them in his possession, but this is the way that fellow—I do not say that gentleman because he is not a gentleman—spoke in the province of Quebec. He said that the Prime Minister had converted the library of Laurier house into a dance hall. This is absolutely false, for there is no dance hall in that house. It is a remarkable fact that Mr. Gauthier has never been invited to Laurier house since the Prime Minister's occupancy of it, and this perhaps may in part explain his ill feeling. This only gives you an idea of the sort of campaign that was conducted not only in the province of Quebec generally but in my own constituency. And to make his statements emphatic, to give to them a greater show of sincerity, he would say, "Look upon my white hairs and ask yourselves whether I would be untrue." Now that is the way in which the tariff was discussed in the province of Quebec.

An hon. MEMBER: Is that all?

Mr. POULIOT: I could mention a good many more instances. There are a large number of potato growers in my constituency and during the election the friends and supporters of Mr. Patenaude frequently told the farmers there that they might as well dispose of their product because they would never get more than a dollar a bushel for it in the event of Mr. King's coming into power. Many of the people, believing this, sold their potatoes, with the result that they suffered a great loss, while those who held on to their crop have been rewarded with prices of $2, $2.50 and $3. I see by L'Evenement of March 18 that potatoes were selling at that time at $2.65, and on April 27 the price was $3.65.

I do not think that the leader of the opposition was quite serious when he moved on June 2, 1925, the resolution from which I take the following:

> To preserve and enlarge the Canadian market for Canadian farm products—this Dominion requires an immediate revision of the Canadian tariff on a definitely and consistently protective basis. That such revision should apply to natural products such as farm products, fish and coal with no less thoroughness than to manufactured goods.

If I understand English at all, I gather that the right hon. gentleman considered that it would be a boon to the farmers of Canada to have protection, and high protection. What did the same gentleman declare in the House on April 8? I will not weary the House with any long extract but I want to quote just a few words:

> Mr. Ross (Moose Jaw): You contend that if the tariff is taken off the prices immediately rise?
>
> Mr. Meighen: We contend it and we know it, because we see the facts.

[Mr. Pouliot.]

Last year the right hon. gentleman told us that if we had protection for agriculture, as well as generally, Canada would be a paradise for farmers inasmuch as they could dispose of their products at very satisfactory prices. This year he says that if the tariff is removed the prices for farm products in this country will go up. Vérité au delà des Pyrénées, erreur en deça. His two arguments are entirely contradictory: what he said on April 8 altogether refutes his own argument and the arguments of his friends with reference to tariff protection for the farmers.

It is not at all surprising that in the province of Quebec the Tory party has no considerable following; the fact is easily explained. When Sir Robert Borden was Prime Minister he made an important statement on April 15, 1915, as will be seen at page 2612 of Hansard of that session. I quote:

> And let me say now, for the benefit of parliament, and particularly for the information of persons throughout this country who may be concerned in selling supplies or materials to the government, that if any man in Canada, be he Conservative or Liberal, proposes to commit any fraud or imposition upon the government and people of this country, or to be concerned in any attempt for that purpose, especially in connection with the war vote, he should remember that there are courts of justice in this country, and that the doors of the penitentiary are yawning for every man who commits such an offence.

I am free to refer to this matter, for in my own constituency, although I supported a candidate so long as he acted honourably, the moment he did wrong I denounced him, in spite of the fact that he belonged to the same party as myself. I was not in politics then but when he afterwards opposed my election I beat him by some 3,000 votes. He declared that I was a bad Liberal; but what did he do himself in the last election? Why, he supported the Patenaude Tory candidate.

If there are some very nice fellows on the other side of the House there are others who bear the stigma of graft on their forehead, and during the war, while money was spent legitimately in many ways, there was a great deal that was used for purposes of graft. What was done then was disgraceful and if it were necessary for me to-night to give a catalogue of the scandals that occurred between the years 1911 and 1921 my speech would cover a period of years. It would last at least ten years, for session after session during the Borden-Meighen administration some scandal or other was unearthed. That is why the people have no confidence in the Conservative party. There are nice fellows on that side, I admit; indeed I have personal friends among them. But there are also black sheep in the Conservative family. I do not suppose,

Mr. Speaker, that anyone will raise a point of order in reference to what I am now saying; everybody knows that it is true, and it was a disgrace to the country that such a state of affairs should have been tolerated.

The ACTING SPEAKER (Mr. Marcil): I must ask the hon. member to withdraw that remark. The term "black sheep" is not parliamentary.

Mr. POULIOT: I withdraw it, Mr. Speaker. I will use the word "golden fleece." Now I come to the question of the railways. I saw by Le Devoir of September 19 that the leader of the opposition had a proposal to settle the railway problem if he got into power. He is not in power and perhaps that is why we have not heard anything about it. Let me quote also, from the Montreal Gazette of September 14, 1925, a speech delivered by the right hon. leader of the opposition:

> They—
>
> That is, the Liberals
>
> —have driven the Canadian National system into a financial bog under the pretence of giving it fair play, and from the swamp in which it is mired it can never be rescued by the government of Premier Mackenzie King.

Let me quote a little further from this report. The same gentleman said:

> The government had asked for the resignation of the members of that board, and thrown them "out on the ash-heap". One or two of the members had been reappointed, but the new appointees of the government were inexperienced individuals who were given the appointments for political reasons.

When the board of management are able to show such satisfactory results, I do think they should be encouraged instead of being referred to in these deprecating terms. Let my right hon. friend give the board of management a chance. I have before me the last annual report of the Canadian National Railways, and it is so satisfactory that I am not surprised it has been so well received by the country. The board of management state that they do not wish to have any political intereference. They are right, and they are not. As the representatives of the people, it is our duty to ask questions about the Canadian National Railways before we vote money on their behalf. Whether they come before the House to ask for money because the stock of the Canadian Northern Railway was over-valued when that road was taken over as part of the National system is not the question. We should know why we are asked to vote that money, and even if some of the information required by members is of a confidential nature we should have it, at least in a confidential way. We are in the position towards the Canadian National Railways that a banker is towards his client. He is interested in his client's business, and when that client comes to him for a loan, the banker has a perfect right to say, "Well, Sir, I will grant you the loan provided you furnish me with a satisfactory statement of your business." We are pretty much in the same position towards the National railways: we do not ask for information for our own personal benefit, but for the benefit of our constituents and for the country at large. I wish to give a word of praise to Sir Henry Thornton, who seems to be doing his best to conciliate the different interests in the Canadian National Railways. Under his management I am sure the system will to a great extent be a success.

Now a word with respect to the public service. There are some very capable people in the civil service, some who have grown up in it and are interested in their work, a work that enables them to help along the good government of this country. Such public servants deserve praise. But let me say that every civil servant should be judged according to his personal ability and that no secret society interference or other influence should enter into the consideration of his promotion.

Before closing, Sir, I should like to direct the attention of the House to two articles which appeared last November in the Montreal Gazette. One refers to an address delivered by Sir John Aird as retiring president of the Canadian Bankers' Association and is entitled "A Hopeful Outlook." The other article refers to the annual report of the Bank of Montreal for the year ending October 31 last, and is headed "An Encouraging Statement." The first article appeared in the Montreal Gazette of November 16, 1925, the second in the issue of November 27, 1925. We can look not only to the editorial page but to the financial columns of every newspaper, whatever may be its political views, and find ample testimony to the fact that Canada is rapidly improving her position, that the hard days are past, and that she is now entering an era of prosperity under the prime ministership of the right hon. member for Prince Albert (Mr. Mackenzie King.)

Some time ago, Mr. Speaker, I said that there are nice people on the other side of the House. I do not say that of them all, but of some, those I know best. That is my sincere opinion. While I do not admit the soundness of their programme, I think we should all unite in promoting measures for the national welfare, and I am sure the country would be all the better for this unity of action.

Mr. FRANKLIN SMOKE (Brant): Mr. Speaker, one thing I have noticed to-night, and I have noticed it also on previous occasions is that there is a very great difference between the manner of the speaker who has just resumed his seat when he is outside and when he is inside this chamber. Outside he has a smiling face and charming manner, which certainly appeals to me and I am sure must appeal to other members who meet him. The tone of his address, however, in the House, Mr. Speaker, is so objectionable, even to his own colleagues, that I feel they must hang their heads with some degree of shame when listening to such remarks as those made by him to-night. If this is the way in which the national issues were discussed in his own province during the last campaign, we need not wonder at the decision then given by the people of Quebec. The question of the tariff apparently was never discussed there. I do not think that such an address tends to elevate the tone of this House. It would be a want of respect on my part to this House if I devoted any time whatever to remarks along that line. While his remarks appeared to cause some degree of merriment on the opposite side of the House, I should hope that the spirit of his speech does not appeal to the better sense of hon. gentlemen opposite.

As a new member of this House, though not by any means the youngest, I have thought it my duty not only to my constituents and myself but also, Sir, to you and the other members of this House to sit back and pay heed to the occasional words of wisdom which might happen to fall from those better versed in parliamentary procedure and in the public business of the country.

I have been much interested and fully occupied in feeling my way about, in endeavouring perhaps, first of all, to learn the first principles of parliamentary procedure; perhaps next, in paying heed to the way in which those members of the administration who occupy seats in this House have sought, though sought in vain, to justify both their right to administer and their administrative acts, activity or inactivity; and next, in observing the way in which those who have criticized the government and its acts have performed their task. I have willingly sat back to listen to the older and more experienced members of this House and, indeed, to very many new members, and when I have observed the splendid way in which all these hon. gentlemen on this side of the House have acquitted themselves, I have felt that my silence up to this point has been justified.

My constituents, I may say, do not expect me to take a prominent part in the debates of the House. They are very inexacting in this respect. I believe they will be quite satisfied if I do my share in the work they sent me here to do, namely, to give my support to our right hon. leader—and we do not ask lessons from the opposite side of the House as to our leadership; we are all loyally devoted to our venerated leader—in the splendid effort he and his supporters, and in fact the great bulk of the Canadian people, have made and are making to hurl from power the most incapable government this country has yet seen.

I did not come to this parliament imbued with the idea that all of our statesmen of the past have failed to grasp the essential principles of government, nor with the enthusiasm, often misdirected, of youth. I have attempted to read history and to study mankind, and to learn from these studies those lessons which only such studies can teach. We are heirs of the ages and should, from the wisdom of the ages, have acquired some wisdom ourselves. We should not forget that problems as great as we at present are faced with have presented themselves in all past ages since the beginning of time; and that the condition of things existing at present is the composite result of the best minds of all times. Our present constitution is the composite result of the labours of our forefathers and predecessors, arrived at after full discussion of all the pros and cons, and I am satisfied that the works of our forefathers have resulted in a constitution and a set of laws, perhaps not the best, but good enough until we or our posterity can evolve a better; and that we should go slowly in making changes.

What we have is the result of centuries of careful thought and development, and should command and receive some degree of veneration from the present generation, and changes made either in our system of government or in details should not be made hastily or without the best consideration we can give to them; we should not forget, in our haste for change, the struggles of the past from which our present laws have resulted. In this sense I claim to be a Conservative, and I am proud to admit allegiance to the party which adheres to Conservative principles—never averse to change when it is clearly shown that the change is for the better; but until so shown I prefer to stick to what has come down to us as a result of the experience of the ages.

We found ourselves called to assemble in the first session of the fifteenth parliament of Canada, presumably to do the business of the country. We found no business to do, or rather, no business which the government had ready for us to do. When we got here we found it was not the country's business but the private affairs of the members of the government that were to engage our attention; and that until we said whether the right hon. gentleman who was Prime Minister (Mr. Mackenzie King) during the fourteenth parliament and several other hon. gentlemen, half of whom were and half of whom were not members of this parliament, should continue to administer the affairs of the country when the people of the country, by their votes at the polls in an election called at a time which the government thought would be favourable to them, and on issues selected by them, had expressed their want of confidence in the government, we should not do any business. And even after that question was decided, the government ruled that we should not do any business until a further period of six weeks, or such part thereof as might have remained, should have elapsed.

The Speech from the Throne does not promise the legislation outlined in pre-election addresses, all of which have been thrown into the discard. This government is consistent only in its inconsistency. It is impossible of characterization by even such an epigrammatist as George Bernard Shaw. As a government it is the laughing-stock of the civilized world.

There is a parallel to the situation here recently exhibited in New South Wales. I shall quote from the Spectator, London, of February 27, 1926, and by the way the editor of that paper was until quite recently—and he still is on the editorial staff—Mr. J. St. Loe Strachey, who kindly presented to this parliament and the people of Canada a bust of Lord Durham. The Spectator is perhaps the most high-class of English weeklies, and is respected by all English-speaking people in the world who know its traditions. It says:

> Last week we wrote about the constitutional crisis in New South Wales. In the Times of Wednesday we read that events there have taken an unexpected turn. At the instance of Mr. Lang, the Labour Premier, the Governor, Sir Dudley de Chair, had consented to a swamping nomination of members to the legislative council. Mr. Lang was intent upon abolishing the council, which he calls a reactionary body, though in fact it has always interpreted its revising duties temperately. This nomination to the council of twenty-five new members was the largest ever made in the history of New South Wales. Mr. Lang assumed that his nominees would vote for political suicide. But he was mistaken. In vain he threatened that if the members of the council were obstinate he would deprive them of the rights to prefix "Honourable" before their names, and to travel free on the Sydney tramways. By a majority of six the council threw out the motion to restore the Abolition bill to the business paper.
>
> We wonder what will happen now. Very likely Mr. Lang will ask the Governor for a fresh and still more swamping nomination. But by that time feeling in New South Wales will have grown even stronger than it is now against Mr. Lang's passion for having a so-called democratic state run by a Labour caucus. Mr. Lang has a tiny majority in form only; numerically he is in a minority.

Note the parallel:

> —yet he has tried to pass a startling series of measures which were not mentioned at the elections. How strange that such things should be done with a straight face in the name of democracy!

The issues upon which the government chose to go to the people were outlined at considerable length by the Prime Minister in his Richmond Hill speech on the 5th of September last. Finding that the people, by their votes, did not approve of the policies laid down at Richmond Hill parliament was summoned for another purpose and a Speech from the Throne was placed in the mouth of His Excellency which ignored entirely the principles laid down at Richmond Hill. Not one single feature appearing in the Speech from the Throne was a real feature in the election campaign.

Among other matters featured in the Speech from the Throne was the selection of a Tariff Advisory Board, whose duty it would be to investigate all matters of tariff adjustment and to report to the government. The government took great merit to itself in professing to take the tariff out of politics, to the extent, at least, of having, before making any changes, the benefit of advice from the Tariff Advisory Board and its experts.

One of the most radical changes in the tariff which this country has seen in many years was brought down in the budget speech of the hon. the Finance Minister on the 15th of April, the result of which, so far as the government know and so far as anybody else can know at the present, may be the complete wiping out of an industry in which it is said from seventy-five to a hundred millions of capital is invested. In support of this change in the tariff the only reason the Finance Minister gave in the budget speech was that there seems to be a widespread opinion that the tariff on automobiles is too high. He did not say—for he could not say—that a thorough investigation had been made by experts qualified to pass judgment on the question and that this tariff change was justifiable. Thus, within eight days of the passing of the order in council reporting the personnel of the

Tariff Advisory Board, this government flouted the board and announced to the world that, no matter what the Tariff Advisory Board may say or do, this government is actuated solely by a turbulent clamour that somebody in business in Canada is making a little more money than he should make.

These sudden changes in policy cannot, by any stretch of the imagination, be justified on the ground of principle but only on the ground of expediency. It is a last desperate effort on the part of this government to hang on to the reins of office through appeals which they think will secure votes. In this connection we are reminded of the couplet appearing in the Bigelow papers, of James Russel Lowell:

> A marciful Providence fashioned us holler
> O' purpose that we might our principles swaller."

And also in the following from the same author:

> "I du believe in prayer and praise
> To him thet hez the grantin'
> Of jobs, in everything thet pays,
> But most of all in cantin'.
>
> This duth my cup with marcies fill,
> This lays all thought o' sin to rest.
> I don't believe in princerple,
> But I du in interest!"

It is not my intention, however, to pursue the course which I have observed most frequently during the debates which have taken place in the process of arguing before this House the economic questions which were so thoroughly discussed in election speeches during the October campaign and to support it with statistics. It strikes me that that feature has been fully covered and if repeated further, should be by someone better qualified than I am. Rather than go into general principles, I would ask the House to bear with me while I inform it of the local conditions which prevail in my own constituency and which are characteristic of a hundred other constituencies and try to point out some of the object lessons to which it would be wise on the part of the government to pay some heed.

My riding, Brant, consists of about half rural and half urban population. As part of the city of Brantford and most of the suburbs dependent on the city are in my riding, I claim an equal interest—as I have an equal right—with the hon. member for Brantford to deal with the situation there.

It should be our effort to discover what was the verdict of the electorate on the 29th of October; and if and when discovered, to give effect to it; and I can, I believe, best devote the time which I intend to take in this debate by acquainting the House with local conditions.

To question the fact that the tariff was the great, and in fact the only, question which decided the result of the election in both Brant ridings, would be trifling with the matter, and I hope the House will appreciate this fact and bear with me in what I have to say.

Dealing first with the riding of Brantford, it will be remembered by some that in the general election campaign of 1921 Mr. W. G. Raymond was elected as a Liberal by a majority of about 2,000. Brantford is, or at least it was prior to 1921, a great industrial city, and we all on this side of the House hope it will not be long before she is restored to her former proud and enviable position. The present Prime Minister was brought to Brantford in the 1921 campaign and on Mr. Raymond's platform gave the people of Brantford the assurance that no change would be made in the tariff which would injuriously affect Brantford industries, relying on which promises the electors of Brantford chose Mr. Raymond as their representative. These promises were not kept. When the definite vote came which resulted in so great a disaster to the Brantford industries and has practically closed many of them down, Mr. Raymond is said to have protested but the legislation went through notwithstanding his protest, and having made his protest Mr. Raymond after all supported the government in its general policy. The result to Brantford was the loss in four years of one-seventh of its population, most of whom formed part of the exodus of over half a million who went to the United States during that period. The condition as regards unemployment was deplorable and the financial loss cannot be computed.

At the general elections of the 29th of October last, the people of Brantford rose en masse, defeated Mr. Raymond by about 2,500, and elected for its representative a consistent advocate of adequate protection, who can be relied upon at all times to uphold the interests of his constituents not only when the particular measures intended to benefit the city are in question, but even if such should be the case, as it was in the last House, when its interests were jeopardized by the government in power, if the government should be the government led by our right hon. leader.

The result of this state of affairs in the city of Brantford was, of course, apparent not only in the three polling divisions of the city which form part of my riding of Brant but also in the suburbs and throughout the whole country, the latter for many reasons. Many of the suburban residents derived their living in

Brantford and were equally affected by the depressions in the city. Factory after factory closed down and the most of those that did not close down went on short time. There being such an exodus and so great a want of employment among those who stayed, the home market for the poultrymen and the market gardeners was demoralized and this class of the population suffered accordingly not only by a reduced population in Brantford and Paris but by the inability of those who remained to buy, due to the fact that they were unemployed and had perforce to draw in their belts in lieu of taking a hearty meal. The inequitability of tariff rates,—that is, those on produce coming into Canada as compared with the rates of duty on goods going into the United States,—was a great factor in the country districts. Importations from the warmer climates.—early fruits and early vegetables—to the Brantford and Paris markets satiating the appetites of the consumers before the domestic varieties could mature, affected the price of similar products in the country round about when later on their products reached the mature and marketable stage. This worked to the disadvantage of the home producer. It reduced the prices he was able to get for his early vegetables and, to the extent of the amount of foreign goods consumed, displaced just so much of the products of the Canadian farmer and the market gardener. People must eat. If they do not eat foreign goods, they eat domestic products. It may be what is left over from the last season's crop but if not as palatable, it is quite as nutritious or nearly so, as the imported article. The home market was completely demoralized. The fiscal policy was responsible for the slowing down or stoppage of the factories, caused much unemployment, and the exodus referred to. Is it any wonder that there was such a revulsion of feeling in both rural and urban sections of the country!

I have told the result in the riding of Brantford. Brant has, with the exception of two previous parliaments, been Liberal since confederation, the majorities being up in the several hundreds and sometimes over one thousand. The recent election resulted in a Conservative majority of 978 out of a total vote polled of a little over 7,000. It was recognized by the Liberal party that, there being a Progressive in the field, it would be impossible to elect a Liberal and after giving the matter consideration for the best part of a month, the candidate who had received the nomination from the Liberal convention withdrew and left the field to the Progressive and myself, the machine Liberals trying, though ineffectually, to stampede all former Liberals into the Progressive camp.

To arrive at the result that was arrived at in the riding of Brant, this government must surely understand that at least 500 and perhaps 1,000 of their former most staunch friends and supporters changed their allegiance in the recent campaign. Is it the intention of this government to ignore entirely these staunch former supporters who always were quite as good citizens and quite as good Liberals as any who have remained in the Liberal party? They exercised some independence in their judgment. They saw the trend of affairs. It was not easy for them to renounce their allegiance to the Liberal party. Only those people voted Liberal in the last election who were either not thorough students of public affairs and who had been former Liberals and followed their party as a matter of course, or those who had been and would remain Liberals through thick and through thin no matter what those at the head of the Liberal party might say or do. I do appeal to this government to pay some heed to those Liberals who most reluctantly left their party in the last campaign and who would no doubt be glad to go back to their party if the leaders would only get their eyes open and listen to reason.

Yes, Mr. Speaker, it was the tariff that was the one and only issue in the good old riding of Brant. Liberal and Progressive speakers take great delight in accusing us of being in favour of a high tariff. This is a false accusation except in so far as it applies to the tariff on poultry and garden produce. On these I say and believe, with my honoured leader and all his supporters, we should apply the motto: "Brick for brick." As for manufacturing industries, however, our motto is: An adequate tariff to insure that an industry run efficiently and economically, shall be able to operate at a reasonable profit and that the tariff adjustments should be made entirely on this consideration.

Much ado is raised over the so-called "big interests." Do the people ever stop to consider that this term is greatly overworked? Nearly all the industries of any magnitude I know of are joint stock companies whose stocks are listed on the exchanges and whose stocks can be acquired on the open market. Few of the industrial stocks are quoted at over par, and anyone with $100 or so to invest can become part owner. As a matter of fact, it can be said of but few of our big industries that they are either one-man companies or

companies in which the stock is held by a few shareholders. The number of shareholders more frequently runs into the hundreds and the thousands. It is a rare thing for a so-called capitalist to invest all his money in one company. He is much more apt to invest in mortgages, bonds or debentures and be content with a smaller, though safer, rate of interest for his money.

I look upon capital as the greatest of blessings to the workingman. You can only get capital out of the hands of the capitalist by giving him the inducement of a larger probable profit from industrial concerns than from such safe investments as mortgages, bonds and debentures.

An adequate tariff which safeguards the investment of capital placed in the hands of efficient management insures work for the workingman, a market for agricultural products, and an adequate rate to the man or group of men who supply the money without which no industry can exist. Some plan of supervision and audit should be devised to see that the tariff protection afforded does not permit undue profits to be made or exploitation of the public. When such appear, the time will come for a reduction in the tariff but while this parliament has the power, it would be very unwise for them to exercise the power to make any alteration in the tariff unless and until some one or more experts fully qualified to make a thorough study of the question should advise that the change is desirable, will benefit the public, and will not do an injustice to those interests which are affected by the change. The word "adequate" is the most appropriate word that can be applied to such a tariff.

If there is one thing that has struck me since coming to this parliament, it is that there appears to be an unwritten law that you must not, on the floor of this House, call a spade a spade. What is apparent to the man on the street, and to which he gives free expression as to the relations existing between this government and the Progressive party in this House, upon whom the government are entirely dependent for a continuance in office, must not, it seems, be discussed in plain words on the floor of the House. Even at the risk of using language which may be challenged as unparliamentary, it seems to me and to everyone in the country outside the walls of parliament, whether Labour, Liberal, Conservative or Progressive, that the party in the House which pulls the strings ought to be in the place of power and in receipt of the emoluments of office and the honours which go with filling such important positions. It says much for the hon. member for Brandon (Mr. Forke) that he is willing to forego all these honours, but only goes to show that he is a Liberal at heart and that the Progressive side of his nature is merely camouflage, as all other pretences are.

The Liberal party have been prone to refer to their principles as sacred, and to themselves as the great upholders of responsible government. We see here, instead of responsible government, a government carried on under the more euphonious, if less honest, name of co-operation. The government itself cannot carry on, however. They are shackled at every step by the chains which, in refusing to recognize the voice of the people, they have forged upon their own ankles. Is it not more patriotic to bow to the will of the people than to mark time, as they admitted they were doing before the elections, or to do even less than that if such a thing were possible; and it may almost be said that that is what they are doing at present. At one of the first sessions of this parliament in a burst of impatience, the hon. Minister of Justice, then acting leader of the House (Mr. Lapointe), reminded my right hon. leader of a saying of Oliver Cromwell to his supporters: "In the name of God, my friends, get it into your heads that you may be wrong." I say to the right hon. Prime Minister and his government: In the name of God, my friends, get it into your heads that you may be wrong in pursuing the course that you are pursuing.

In every election since confederation in which the tariff was the first issue, the cause of protection has won. The National Policy was first advocated about 1876 or 1877; it was an issue in the election of 1878 and it succeeded at the polls. In every subsequent general election up to and inclusive of 1891 the tariff issue, in one shape or another, was the paramount issue and in every case our party was successful. In 1896 the tariff was relegated to the background. Other issues prevailed and the result was a change of government brought in especially on the strength of the Manitoba school question, though other issues no doubt played a considerable part in the decision the people of the country arrived at. In no other election subsequent to 1896, until the reciprocity election of 1911, was the tariff a real issue, and in that election the Liberal party, which favored reciprocity, went down to defeat. We all know what happened to this government in the 1925 election.

We can quite understand the favour which the idea of reciprocity received in the mind of the Prime Minister of this country. Per-

haps the greatest disservice that the Liberal party has ever done to Canada was in the Liberal convention here in 1919, when they selected the present Prime Minister as the leader of their party after the lamented death of Sir Wilfrid Laurier; as usual the United States has got the better of the bargain. They gave us a Liberal leader and a prospective Prime Minister, and they took from us five to six hundred thousand red-blooded Canadians.

May I make a special appeal to the French-Canadian element in this parliament? I notice, and I am sorry to notice it, a feeling among the French-Canadian element in this House of race antagonism, particularly toward the province of Ontario. Let me say to the French-Canadian members that I trace my ancestry back to one who came from France to Quebec nearly three centuries ago, and that the other strains in my blood come from other countries of continental Europe by way of the United States, those who came in this way leaving there at the time of or immediately after the American war of the revolution. I thus have no blood relationship with the English speaking portions of Canada, who derive their ancestry from the British Isles, and I therefore feel that I can, with some measure of reason, appeal to the French Canadian element of our population without having my motives impugned. Some things have been done in our past history which were not conducive to the entente cordiale which should exist between the two principal races which form a part of our population. I have never found in my lifelong association with the English speaking portion of our people any real antagonism to the French Canadian race. Across the floor I am glad and proud to see a second cousin of mine, a French Canadian, and I appeal to him, and through him may I appeal to the other descendants of the French race in this House, to align themselves with that party in this House with which, in the days of Sir John A. Macdonald, the people of Quebec were almost solidly in accord, and with his political successors who stand for an adequate protective policy for all classes in this country and for equal rights to all.

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, I wish to compliment my hon. friend from Brant (Mr. Smoke) on his splendid address this evening. So long as the discussion is carried on in the high plane which he attained to, we shall be taking the right method of arriving at decisions in this House at least in a friendly spirit.

The budget which has been brought down this session has received the approbation of all fair-minded Canadians. It is one that will appeal to the large masses of wage earners, to the farming communities and to the industrial people who are prepared to take their fair share of the great responsibilities that rest upon every Canadian. The budget speech was a clear and lucid exposition of the situation as it exists in Canada to-day, and it was a budget that cannot fail to make for greater prestige in the near future for this government.

The bringing down of a budget is always a difficult matter. In a country situated as ours is, with our tremendous area and with our interests varied and conflicting in different sections, the sanest and safest course the government can pursue is to elaborate a policy that will bring the greatest good to the largest number. In order to realize the difficulties which the Minister of Finance (Mr. Robb) had to meet when he brought down this budget we have to turn a retrospective glance to the situation as it existed in Canada in 1921 when this government came into power. In 1921 our national debt was about $2,250,000,000; our National railways were creating an annual deficit of over $85,000,000; the merchant marine was costing Canada $12,000,000; we had a situation that was difficult for men engaged in all activities; agriculture was depressed in the west; there was unemployment all over Canada and instability of trade; our currency was depreciated in the markets of the world, and our situation generally was as bad as it had been at any time since confederation.

This year's budget is what I would term a "prosperity" budget. It is a workingman's budget. To-day the labouring man feels the improvement by the size of his savings bank account, and the farmer realizes that there is a general improvement by the high prices he is getting for his farm products. The manufacturer is also feeling the effects of the policy of this government by the increase in the number of his orders, and there is a feeling of confidence in the future and of stability that this country has not experienced since the period of deflation.

Canada has now entered upon a new era of prosperity. This has been admitted by some of our hon. friends on the other side of the House. This afternoon the hon. member for Toronto West Centre (Mr. Hocken) admitted that our Canadian National Railways had improved and he attributed
11 p.m. that fact to the loyalty of the 95,000 men in the employ of that railway. But as a travelling man who travelled many times over the length of the Canadian National Railways before its management

was assumed by Sir Henry Thornton, I may say that we should at least give Sir Henry Thornton credit for the improvements which we find in our National railway system. If such a genius could take our National railways in the situation in which they were just before he took control and bring them up to their present state of improvement, I think the opinion of Sir Henry Thornton, with his great experience and his real genius for organization, should bear weight with the people of this country in regard to present conditions. I should like to read an article taken from the Montreal Herald of March 13, which states:

My faith in the future of Canada is deep-rooted and sincere. It passes the realm of statistics, which after all can picture only past performances, and finds its foundation and its support in the faith of the citizenry in contact with whom my duties have brought me in almost all parts of the Dominion during the past year. Further, the past year has permitted me to visit many parts of the United States and several European countries. Not only have these experiences allowed me to gauge for myself conditions here, but they have given me the opportunity to look at Canada through the eyes of neighbours and business rivals, and I can say in all truthfulness that I have returned home imbued with a stronger belief in the greatness of our country's ultimate destiny than ever before.

I have been accused of being on optimist. I am more than an optimist. As far as the future of Canada and Canadians is concerned I am a super-optimist. For no country are the opportunities so splendid, the outlook brighter. Nothing, in my opinion, can prevent Canada grasping those opportunities except the people themselves, and failure is out of the question as long as Canada retains what she has to-day, the will to accomplish; the faith of her people and a clean national consciousness.

Conservatism is a very necessary and a very proper part of every business undertaking whether it is individual or national. Every ship must have an anchor. But when the ship gets under way an anchor which drags is not only an impediment to navigation but a positive menace. The apostles of conservatism who transcend their sphere of usefulness become only apostles of gloom. Canada has her apostles of gloom and because of their wailings and the dust they are flinging from their sackcloth and ashes, it might be well, before proceeding to the results of the past year, to retrospect and see what progress Canada has made in the last two decades as compared with the United States which is used so extensively as our "weather" barometer.

That is the opinion of Sir Henry Thornton, whose unbounded faith in Canada is the result of a thorough observation of the conditions as they exist from the Atlantic to the Pacific. Surely the opinion of such a man at this present juncture is one that must carry weight with the citizens of Canada. I have here a business summary issued by the Bank of Montreal in which further evidence of the prosperity which Canada is enjoying to-day, and of the prosperity which lies in store for us, is very well exemplified. I quote:

The Finance minister was able to present a favourable balance sheet in respect of Dominion finances and to point to an unusually large expansion of foreign commerce during the recently ended fiscal year. There was a surplus of revenue over expenditure of nearly $34,000,000 in the year's operations, a reduction of net debt of $22,353,000, and a marked increase in the operating profits of the Canadian National Railways, these having amounted to $30,443,000 in the calendar year of 1925 or about $13,000,000 more than in the preceding year.

The foreign trade of Canada continues to mount both in volume and value. In the year ended March 31, this commerce reached the very considerable sum of $2,258,500,000, of which $1,330,000,000 was made up of exports and $927,000,000 of imports, the favourable balance thus being $402,695,000. So large a credit in the external trade of the year has been a potential factor in restoring Canadian currency to par.

Domestic business has not presented any novel factors during the current month, but the condition remains more satisfactory than in recent years and the spirit of confidence in the future appears to grow. Commodity prices are fairly steady and would appear to have been pegged at about 60 per cent over a pre-war average, with inevitable fluctuation in price of one or another commodity. Railway car loadings and railway earnings are in excess of last year. Business mortality in the first quarter of 1926 was substantially less than in the corresponding quarter of the previous year, the number of failures declining from 669 to 593, with aggregate liabilities down from $10,683,000 to $7,566,000.

The estimated quantity of Canadian wheat remaining in Canada at April 1 was 161,376,000 bushels or 40,000,000 bushels greater than on the corresponding date in 1925, which fact gives promise of an active shipping season, and continued expansion of export trade. Building operations the Dominion over are much in excess of last year. It is too early in the season to forecast agricultural production but the acreage to be sown in the three western provinces this year will be practically the same as last. Live stock has wintered well and expectation is that the steady growth in the cattle export trade since the removal of the British embargo will not be interrupted. Cold weather has somewhat delayed farming operations in the eastern provinces. Immigration gives indication of reaching a larger volume than for a considerable time past. Taken as a whole, it can be said that the bright spots in the business situation greatly predominate.

Let me contrast the foregoing with the condition that exists in the United States. We have heard many speakers opposite comparing Canada with the republic to the south of us, much to our own disadvantage Now, I am sure that every true Canadian resents these attacks on his native country, which must have an injurious effect upon business, as is evident in northern Ontario, for example. In northern Ontario we require outside capital to develop industry. Can we expect to attract that capital for the development of our tremendous resources in that northern country so long as these tales of woe and of blue ruin are broadcast throughout Canada and elsewhere? The fact that we require that capital is well known to every member of this House. The Minister of Mines of the province of Ontario has a faith in that country which I should like to see shared by hon. gentlemen opposite. Recently he made the statement that $80,-

000,000 could be spent in northern Ontario in development of that area which is so rich in natural resources. It is interesting to compare the conditions in Canada with those in the United States and right here I want to emphasize this important fact, that northern Ontario offers better opportunities and greater chances of success in life than does any part of the United States. There is no part of the United States where a young man has the same likelihood of making a success of his life as he has in that section of Canada. The United States, we are told, is a country that has been greatly developed under a high protective tariff, but the conditions there are not so bright as some of our friends would have us believe. I have here a despatch from Washington to the New York Herald from the Washington correspondent of that journal. I quote the following:

> The east, either through preoccupation with its own prosperity or for whatever reasons may be, failed to know what was happening among the farmers. At a moment when values of corporations were mounting on the New York Stock Exchange, the value of land was going downward. When manufacturing corporations were announcing stock dividends and eastern banks announcing record earnings, western banks and other institutions were embarrassed, in many cases to the point of failure, by the decline in values of farm land, farm mortgages, and some farm crops. Now that Washington's attention has been called to it forcibly, the contrast between east and west is almost dramatic. The western condition includes an average of more than two bank failures a day; sheriff's sales in nearly every county seat; cuts in the rents of city houses and apartments of as much as 50 per cent; an estimate by the Nebraska State Bureau of Crop Statistics that the purchasing power of the farmers has suffered a reduction of $62,000,000 this year.
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> This condition gives rise to a political mood just beginning to express itself in attacks on the tariff, on the railroads, whose earnings and values go up as the farmers' go down; on the federal reserve system, and on "big business." It is in some degree similar to the condition which arose in the middle of President Taft's term, and which expressed itself in the election of a Democratic congress and in Roosevelt's attempt to prevent Taft's renomination.
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> "The farmer's situation presents the greatest, most far-reaching and most perilous problem with which the American people are faced," declares B. F. Yoakum, chairman of the board of the Frisco Railroad System, and a recognized authority on the farmer's problems. According to Mr. Yoakum, "the American farmer is in a worse situation to-day than at any time in his history."

Now, Sir, it is well for us when speaking as Canadians to remember that we are to-day producing more dollar for dollar than the United States did in 1880, with a population of 50,000,000. Unemployment in the United States averages 1,800,000, which is very much greater than has ever occurred in Canada. It is also well to remember—and this has been published throughout the United States—that more than 75,000 of its farmers have left their farms in the last decade.

One of the most strking features of this budget, and one that has been commented on very generally, is the increase in our foreign trade during the past fiscal year. It reached the tremendous total of $2,258,000,000, made up of exports, $1,330,000,000, and imports, $927,000,000, leaving a favourable trade balance of $402,695,000. The principal gains in exports were shown in the groups of animals and animal products, wood and paper, non-ferrous metals, and so forth. Our sales abroad of cattle increased $2,156,000; of cheese $10,000,000, of milk, fresh and condensed, $1,800,000; exports of lead reached $27,500,000; of nickel, $2,100,000; of zinc, $2,000,000; of gold, $9,000,000. Asbestos also showed a gain of more than $2,000,000. Of highly manufactured goods we sold $500,000 worth more of acids, nearly $100,000 more of cyanide, $400,000 more of cottons and $5,300,000 more of rubber goods. Our fisheries also shared in the expansion of export trade, shipments increasing by $3,946,000.

Examining our trade with various countries, we find that our sales to the United Kingdom increased by $42,000,000, while our purchases from her went up $9,000,000. The United States took $30,000,000 more of our goods, and we bought from them additional business amounting to $11,000,000. We secured marked additional business in Russia, $11,500,000; the Netherlands, $11,000,000; Germany, nearly $14,000,000; Brazil, $2,000,000; Belgium, $2,500,000; Argentina, $1,600,000, and New Zealand, $1,700,000.

A comparison of the figures of Canadian trade for the past two fiscal years of 1923 and 1925 with Latin-American countries in which bank branches were established—ample evidence that Canadian banks are doing much to foster and buiid up Canadian trade abroad—is very interesting. Take the figures for 1923:

	Imports	Exports
Argentina	$3,076,000	$4,445,000
Brazil	1,391,000	1,929,000
Colombia	365,000	151,000
Peru	4,700,000	416,000
Uruguay	310,000	286,000
Venezuela	353,000	747,000

Let me contrast those figures with the business for 1925:

	Imports	Exports
Argentina	$6,263,000	$10,322,000
Brazil	1,818,000	3,417,000
Colombia	719,000	270,000
Peru	3,533,000	929,000
Uruguay	228,000	859,000
Venezuela	175,000	1,065,000

This, Mr. Speaker, is one of the results of the enlightened policy of the government which sends its trade representatives to these countries and thus brings about an expansion in our foreign trade.

But if there is one activity which is contributing very largely to the prosperity of Canada it is mining. I fear we have not given to this industry the consideration which its importance demands. The industry has prospered owing to the enterprise and intelligence of the people who have interested themselves in it; it has received no government aid. I believe that this industry should be fostered by the government, for in my opinion there is no factor that will go further to solve our problems, especially those of transportation, than the development of our mineral wealth. The progress made in our mining industry last year is scarcely appreciated by those who have not followed it very closely. I have before me the estimated production of 1924-1925. This is perhaps the best evidence we can have of the remarkable development, especially when we consider that most of these mining areas have not been operated very much more than a decade. The estimated production is as follows:

Estimated Production in 1925

Metals	1924 Value	1925 Value
Gold	$31,532,443	$35,768,000
Silver	13,180,113	13,469,000
Nickel	19,470,178	24,140,000
Copper	13,604,538	15,813,000
Lead	14,221,345	23,238,000
Zinc	6,274,791	8,469,000
Other Metals	4,123,120	4,513,000
Total	$102,406,528	$125,410,000

In order that we may fully realize the important bearing the mining industry has on other industries in Canada, I shall quote from an article published in the annual financial review of the Toronto Globe, dated January 1, 1923, which gives an estimate of the value of the 1922 mineral production of Ontario and its distribution, as follows:

Estimate of Value of 1922 Mineral Production of Ontario and its distribution

Gross value of metallic production		$ 36,000,000	
Gross value of non metallic production		27,000,000	
Gross value of mineral production in 1922			$ 63,000,000
Dividends and Repayment of Capital—			
Gold	$ 6,606,224		
Silver	2,165,000		
Nickel	534,746		
		9,305,970	
Direct Taxes Paid—			
To Ontario and Dominion	$ 1,300,000		
Compensation Insurance paid		225,000	
			$ 10,830,970
Amount otherwise disbursed			$ 52,169,034

About 54 per cent of this amount will represent value of supplies purchased and balance compensation of labour.

Supplies will therefor have cost about	$ 28,171,278
and Labour	$ 23,997,756

Taking cost of supplies in round figures at $28,171,000 the distribution will be about as follows:—

Ball Mill Liners, Castings and Machine shop work	13·00%	equals $	3,662,230
Customs Duties	1·00	"	281,710
Chemicals and Apparatus	9·36	"	2,636,806
Coal	4·34	"	1,222,621
Drill Steel	1·65	"	464,000
Express	0·95	"	267,623
Equipment	6·45	"	1,817,025
Explosives	11·95	"	3,366,443
Electrical Supplies	1·53	"	431,000
Freight	8·21	"	2,312,859
Hardware	4·58	"	1,290,232
Insurance (fire)	3·27	"	921,192
Lumber	4·33	"	1,219,804
Legal Expenses	0·57	"	160,574
Machine drills and parts	2·27	"	639,482
Oil	1·08	"	304,247
Power	18·95	"	5,338,405
Pebbles	0·93	"	261,990
Rubber goods	0·48	"	135,221
Stationery and Office supplies	0·63	"	177,476
Telephone and Telegraph	0·43	"	121,135
Incidental expenses	4·04	"	1,138,108
			$ 28,171,000

The $23,998,000 required to compensate labour, will have been disbursed approximately as follows:

Meats	11·19%	equals $	2,685,377
Dairy produce	12·79	"	3,069,344
Flour, bread, rolled oats, beans	7·27	"	1,744,654
Fruits	1·43	"	343,172
Sugar	2·98	"	715,140
Tea	0·85	"	203,983
Coffee	0·39	"	93,592
Vegetables	3·39	"	813,532
Incidental groceries	0·87	"	208,783
Fuel and lighting	9·41	"	2,258,212
Rent	16·09	"	3,861,278
Boots and shoes	2·86	"	686,343
Clothing	11·43	"	2,742,971
House furnishings	2·86	"	686,343
Railway fare	2·86	"	686,343
Help, doctor, dentist	4·76	"	1,142,305
Insurance	2·38	"	571,152
Charity, church, etc	2·38	"	571,153
Papers and education	1·43	"	343,171
Sundry	2·38	"	571,152
			$ 23,998,000

In order to show the House what money is invested in the mining industry in this country, I shall give the expenditure at Copper Cliff in the Sudbury district from September, 1902, to December, 1920, as follows:

Labour and Salaries	$35,900,000
Miscellaneous Supplies, not including fuel	13,915,000
Wood from local Contractors	685,000
Freights to Railway Companies	11,736,000
Contractors erecting plants and etc	2,014,000
	$64,250,000

Our investment in plant in the Sudbury district is as follows:

Smelter and Mine and Power Equipment	$14,651,000
Dwellings and stores	1,632,000
Hospital	203,000
Club house	61,000
	$16,547,000

We who live in that section of the country, Mr. Speaker, realize what the future development of the immense mineral deposits we have in that north country means for the rest of Canada. We feel we are not exaggerating when we say that the future of the province of Ontario and of Quebec, notwithstanding their present great industrial development, rests in a very large measure upon the development of the tremendously valuable natural resources we have in that country. It is only within the last decade that real development has taken place. From the very first start in Cobalt, the discoveries of valuable minerals have extended both east and west of the original discovery, and today in that great pre-Cambrian shield, which contains practically all the valuable minerals known to science, we have a source of greater wealth than is to be found in any other similar extent of territory known to civilization.

Reference has frequently been made in this debate to the woollen industry, and in every instance the present situation in the woollen industry has been attributed to the tariff. As a matter of fact the depression in the woollen industry has been world-wide. Just a few years ago the American Woollen Company, which has practically a monopoly of the woollen industry in the United States was forced, owing to the fluctuating prices of its raw material and to the general depression of the business, to close down one-half of its plants and to turn out of its factories from 15,000 to 20,000 of its employees. Similar conditions exist in Great Britain, where a general depression has existed in the woollen industry. In Canada the depression was felt much more acutely by those engaged in the manufacture of all-wool cloth. In Canada we have a very large number of small mills, but the modern tendency is towards concentration or mass production. In the manufacture of tweed, owing to the variation of styles and patterns, it was impossible for our small manufacturers in Canada to change their patterns or alter their designs as they could in establishments where there was mass production, or production on a very large scale. But there is another factor which has entered into the situation, and which has not yet been referred to in this debate. It is the discovery of a new textile known as rayon. This is becoming to-day an article of general use and its manufacture is progressing, perhaps, at a faster rate than any other industry at the present moment. In the United States rayon has replaced some forty thousand bales of wool annually, but the industry is, as yet, only in its infancy. Hon. gentlemen will have noticed that in the budget the Minister of Finance announces a drawback on rayon silk, or yarn,

and on rayon waste. In Canada to-day there are two corporations which will soon be manufacturing this article and no doubt in a few years it will become one of the great basic industries of the world. In order to afford an idea of the progress of the industry within the last few years I will read the following extract taken from the Artificial Silk Supplement of the Manchester Guardian Commercial of April 15, 1926:

World Production of Artificial Silk

(Thousands of lbs.)

	1922	1923	1924	1925
Total..	79,738	97,000	141,164	197,000
United States. ..	23,500	35,400	38,750	50,000
Great Britain. ..	15,340	16,500	23,947	30,000
Italy..	6,292	10,000	18,480	28,000
Germany..	12,584	13,000	23,672	26,000
France	6,292	7,700	12,333	23,000
Belgium..	6,292	6,000	8,874	13,000
Holland..	2,517	2,600	3,366	9,000
Switzerland.. ..	1,888	3,700	4,004	6,000

The British production in 1925 has been variously estimated at from 25,000,000lb. to 32,000,000lb., but it must have been somewhere in the region of 30,000,000lb. The imports during the same period were 11,551,662lb., and the exports 7,366,029lb., so that the total consumption of artificial silk in Great Britain was about 34,000,000lb., or rather more than one-sixth of the world's production.

The American statistics for the consumption of artificial silk in that country are shown in the following table:

	Per cent
Stockings..	23
Interwoven with real silk..	18
Ladies' underwear and lace..	16
Interwoven with cotton..	15
Knitted articles..	14
Ribbons, braids, etc..	8
Upholstery and house furnishing..	3
Plush..	2
Interwoven with wool..	1
Total..	100

Imports into the United States will probably total 12,000,000lb., in spite of a tariff wall of 40 per cent. Domestic production is estimated for this year as follows:

	Lbs.—1926
Viscose Company..	45,000,000
Dupont..	12,000,000
Tubize..	8,000,000
Industrial Fibre..	5,000,000
Celanese..	3,000,000
Others..	3,000,000
Total..	76,000,000

Assuming a net profit of one dollar a pound, which the income-tax returns of the producers bear out, we have this new industry returning more profits during 1926 than the entire cotton industry.

Silk versus Artificial Silk in the United States of America

The inroad which the increasing use of artificial silk is making into other textile fields is a subject which comes up for discussion periodically. A few months ago the suggestion was thrown out that artificial silk had displaced 40,000 bales of wool in the woollen industry, particularly in hosiery manufacture, while similar statements have on various occasions been made by cotton and real silk interests. It is therefore of interest to see from the survey drawn up by the Silk Association of America that there has been a steady increase in silk imports into the U.S.A. for the last 30 years, and consequently of silk consumption in that country, notwithstanding the advent of artificial silk. In 1925, the year when artificial silk output broke all records in the U.S.A., the aggregate number of bales of real silk imported showed an increase of 26 per cent as compared with 1924. It does not appear from these figures that the growing consumption of artificial silk has had any effect on the demand for real silk.

This accounts in a very large measure for the depression that has existed in the knitting industry in recent months in Canada. We have not had sufficient quantities of artificial silk, which has become an absolute necessity to-day. Artificial silk is accepted now as an absolute substitute for real silk, and its manufacture must become in the course of a few years, as I have already said, one of the basic industries of the world. Now, Canada is particularly interested in this industry as pulpwood is the basis of artificial silk.

I have given these few details because I believe in the future of Canada. I think this country has entered upon an era of prosperity such as it has never known before. I believe that the interests of this country will be very much better served, and that emigration may be lessened, if we look at home for the development which is necessary to keep Canadians in Canada. As we look and see the improvements that are taking place daily, and as we view the prosperity that is in store for us, let each of us, regardless of political affiliations, do our very best for the future development of our beloved country.

On motion of Mr. MacDonald (South Cape Breton), the debate was adjourned.

On motion of Mr. Robb the House adjourned at 11.40 p.m.

Friday, April 30, 1926

The House met at three o'clock.

PEACE RIVER ELECTION

PETITION ASKING THAT RETURN OF MR. KENNEDY BE DECLARED VOID

Hon. R. B. BENNETT (West Calgary): Mr. Speaker, I desire to present the petition of James Arthur Collins, of Chisholm, in the province of Alberta, lumberman, praying that the House of Commons of Canada may determine and declare that Donald Macbeth Kennedy was not duly elected and returned at the election held on the 29th day of October,

1925, and that the said return was and is void, and that it may be declared that the petitioner was duly elected at the said election and is entitled to be returned as the member elected to represent the electoral district of Peace River in the House of Commons of Canada.

RESIGNATION OF CIVIL SERVICE COMMISSIONERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table of the House copies of the correspondence between certain members of the Civil Service Commission and the government respecting the resignations of the former.

PRIVATE BILL

FIRST READING

Bill No. 93, to incorporate The Canadian Dexter P. Cooper Company.—Mr. Hanson.

NATURAL GAS AND PETROLEUM LEASES

On the Orders of the Day:

Hon. CHARLES STEWART (Minister of the Interior): A few days ago I was asked by the leader of the opposition (Mr. Meighen) whether any changes had been made in the regulations governing natural gas and petroleum leases. I am now informed by the officer of the department that no changes whatever have been made in those regulations.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, April 29, the debate on the Motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Mr. FINLAY MacDONALD (South Cape Breton): Before saying the few words I have to say on the budget, I would like to extend my congratulations to the hon. member who preceded me in this debate (Mr. Lapierre). I listened to his speech last night with a great deal of interest. I think it was an excellent speech, moderate in tone, and well sustained in argument. I agree with a great deal of what that hon. gentleman said, but I have to differ with him in some of the conclusions he has drawn. I had heard before of the great wealth of that rich northern country from which he comes, of the great mineral resources that are there waiting to be developed, and of the necessity for capital to develop those resources, but I would remind him that capital is very timid; it will go no place to develop any industry unless it is assured of protection. It is said that the doe of the forest is not more timid than the wolf of Wall Street, and before the hon. gentleman can hope to have the capital necessary to develop that country invested in it, I venture to think he will have to have a government in power here that will assure that capital adequate protection for its investments.

With regard to the budget, I regret to say that when the hon. Minister of Finance (Mr. Robb) in presenting his annual financial statement a few days ago spoke of the prosperity that existed in Canada, he spoke in a tongue that was foreign indeed to the ears of the people of the part of the country from which I come. It is useless to tell people that they are prosperous. People know whether they are prosperous or not, and if they are prosperous they will find some evidence of it in their own pockets. So far as I have been able to observe, there have been no indications from any province in Canada of the existence of prosperity there at the present time. It is pleasant news indeed, Mr. Speaker, to hear of prosperity existing in any place, even if our own common sense tells us that such is not the case. But I am afraid that this alleged prosperity has no existence outside the imagination of some mathematician in the Finance department.

The Minister of Finance attributed this alleged prosperity to various causes, chief among which was prudent administration on the part of this government. Other causes may have contributed such, for instance, as good crops, increased production at home, and increased buying abroad, but when the Finance Minister couples with these things which we are all agreed have contributed to what little prosperity the country has enjoyed, the statement that some of the credit is due to the prudent management of this government, he goes far to destroy whatever confidence we may have had in his budget. Following the announcement of the Minister of Finance came the usual chorus of applause from hon. members supporting the government. I do not begrudge those hon. gentlemen any satisfaction they can get out of the budget. The occasions have been few indeed during the present session on which hon. gentlemen opposite have had reason to applaud the acts of the government. Furthermore, the party press from one end of the country to the other took up the jubilant refrain, and we were informed that this budget was one of the greatest the country had ever

known. It was, they said, a Liberal budget, a budget for the people, one that was going to reduce taxation and the burden of the people. Now that was pleasant news for us, and when the budget was being delivered I felt very much like joining the supporters of the government in applauding the statements of the Finance minister. However, a little further examination disclosed that possibly the budget was not all it was claimed to be. At the first glance it seemed to be an attractive budget, some have even gone so far as to say that it was an election budget, but like many attractive things it was more or less deceptive in its character; and as we come to examine its chief features we realize that it is very far indeed from meriting all the encomiums that have been passed upon it in this House and in the party press.

I think the usual course in discussing the budget is to call attention first to what it contains, and in the second place to point out its omissions. There are some attractive features about the present budget. Some taxes have been eliminated, and to the extent that there has been lessening of the burden of taxation we must all feel duly grateful. The government is entitled to credit for the remission of the stamp tax and some of the sales taxes. But there are three main features in the budget for which particular credit is claimed and these are such as to invite special attention. The first of these is the reduction in the income tax, but I cannot help thinking that the Minister of Finance has been extravagant in his claims as to the extent to which the burden of taxation has been lessened. It is said that there are but two things in this world from which we cannot escape, death and taxes, but the physician who holds out a hope of a postponement of the one and the Minister of Finance who promises a remission of the other may very often raise expectations that may prove illusory. When subjected to the acid test of practicality highly extolled remedies are frequently found disappointing. In the case of this budget I think careful examination discloses that it falls very far short of the merits claimed for it. I cannot claim to be an authority on the subject of income tax. It seems that a certain number of people will be exempt from the payment of income tax. To the extent to which this is true, the budget will be popular. But there are a great number of people who are going to pay very much higher income tax than they did before. I refer to those people who hold stock in Canadian companies the dividends of which were formerly exempt but are now subject to income tax. It would appear, therefore, that the income tax has been shifted from the shoulders of one class of the people only to be placed on the shoulders of another class. I do not believe that very much revenue is going to be lost by this adjustment, but that the taxes paid by the people of Canada under this shuffle will be just as large as they formerly were, and that there will be no remission of the burden in such cases.

The second feature of the budget to which most attention is directed is the reduction of the duty on automobiles. When I heard that reduction announced by the minister I felt very much like joining in the applause in which hon. gentlemen opposite indulged. We have no automobile manufacturers down in Nova Scotia, and I felt very satisfied indeed when I learned there was a possibility that we were going to get our cars at a very much cheaper rate. That is a local and a selfish view, but it was the view I held until my eyes were opened by the delegation that came to the capital recently from Oshawa and other towns in Ontario. That delegation did not consist of manufacturers. It was composed of workingmen, the class of men that I am used to and that I represent in this House. In addition the delegation comprised representatives of the municipalities of cities, towns and counties in the province of Ontario. I have been closely associated with municipal government for a quarter of a century. I know from my own experience in the city of Sydney just what the feeling is and the fear of anything that threatens danger to the industry upon which our livelihood depends. I have talked with these men and got their point of view, and I could almost imagine myself talking to a lot of my old workmen in Sydney. I knew what their feelings were, when fear entered their homes, when it seemed inevitable that their little savings were to be dissipated, that their jobs were to be lost and that they would have to seek elsewhere their means of livelihood. We have had that experience down in my own home town, and I know what it is. Then came the delegation which waited on the Prime Minister (Mr. Mackenzie King). I attended that meeting and listened to their addresses and their pleadings to the Prime Minister. They appealed to him to faithfully carry out the solemn pledge he had made to them as Prime Minister of Canada. That is all, and there is nothing unreasonable in that request. One man reminded him of sitting on the same platform with him in the city of Oshawa and told him of the solemn pledge he had given to the people of that city

that their industries would not be interfered with pending full investigation. The Prime Minister was then pleading for his job. He was then speaking to them as Prime Minister of Canada, asking to be continued in that high position, and giving them that solemn pledge. They were here pleading for their jobs, and asking him to carry out the solemn pledge which he made. Their argument was reasonable and was unanswerable. Mr. Speaker, I looked then for the Prime Minister to rise and tell them that no matter what the influences were, no matter how secret or sinister, he was going to carry out his pledge to them, if the government had to be wiped out of office next day. Unfortunately, that was not the tone of the Prime Minister's reply, but in answering them he made a political speech in which he stated some very strange and curious things. He said the matter was in the hands of parliament, and that so far no person had ventured to move an amendment to the provision in the tariff regarding automobiles. Unless I have terribly misconceived the meaning and purport of the amendment which has been moved in this House by the hon. member for Fort William (Mr. Manion), that is exactly what it means. They were asking him not to touch that industry without due investigation, and that is exactly what the amendment asks. I want to make clear my own position on this matter. I am in favour of reducing the duty on automobiles, but I am also in favour of giving the automobile manufacturer a chance for his life. He has to convince me that he needs this protection in order to live. It is a difficult and complicated matter, but I am willing to take the judgment of the tariff board on it. I confess they would have difficulty in convincing me, but I am at least willing to allow the automobile manufacturers to have a day in court.

There is another feature of this matter that should receive a little attention. If the automobile manufacturer is stabbed in the back to-day, what is going to happen other manufacturers to-morrow? What is the use of a tariff commission, if we are not going to wait for their finding on any question, but are going to determine whether or not we will reduce or increase the tariff on account of some underhand or secret or sinister influence. Possibly, Mr. Speaker, this exemplifies the great distinction and difference that exists between the two parties in this House on the question of protection. The Conservative party stands for protection and has so stood since 1878. There has been no wavering or turning aside. We have spoken with one voice from the Atlantic to the Pacific. Everywhere that our leader has gone the same declaration has been made regarding the adherence of this party to the great principle of protection. Without meaning to cast any reflection on the good faith of my hon. friends opposite, I venture to point out to them that their history and present attitude with regard to this great question of protection has been a varied and difficult one to understand. Up to 1896 they opposed protection, and they offered alternative policies of various kinds. From 1896 to 1911 there appeared to be some difference of opinion among our friends opposite as to what policy they were putting forth. The hon. member for South Huron (Mr. McMillan) yesterday stated, I think, that the Laurier-Fielding tariff was not a protective tariff. The hon. member for Vancouver North (Mr. Donaghy) previously had said it was. We know among a certain following of the present government free trade and lower rates of taxation appear to be favoured. On the other hand, we have seen in this House instances where member after member supporting the government has risen and declared that he won his election on the policy of protection and that he stood for it in this House. It is not therefore difficult to understand to which party great industries must look for protection if we are to ask capitalists to invest their money in industries in this country.

By this downward revision of the tariff the government has given a stab in the back to various industries, and this example, popular as it may be in some localities, is but another tolling of that knell that was to proclaim the death of protection in Canada. When we come to view the matter in that aspect we see that the very slight benefit that the country is going to derive from the lower purchase price of automobiles is more than offset by the great danger that will strike Canada even through the mere threat of the destruction of the principle of protection.

The third feature of the budget to which the Minister of Finance (Mr. Robb) directed attention and for which he took credit was the great progress that has been made by the Canadian National Railways. It is a matter of congratulation, I think, to us all that the Canadian National Railways has reached within seven million dollars of payment of interest due on its securities held by the public. So far, so good. But when you come to ask us of the Maritime provinces to throw our hats in the air cheering the present management of the Canadian National Railways, you are asking too much. We are not going to do that.

There are two views held with regard to this great railway project in this country. One view which is held largely in Montreal and Toronto is that the Canadian National Railways is to be treated and operated as a private company with the object first, last and all the time of paying its way and, second, for the purpose of developing the resources of the country. I have seen lately two editorial utterances from leading papers in Montreal and Toronto on this question and I am going to read one from the Montreal Gazette, a very responsible paper. It says, dealing with the question of coal transportation from Alberta and Nova Scotia:

> What has happened, however, exemplifies one of the greatest dangers to which the Canadian National Railways can be exposed, the danger of being forced by politicians to operate upon a political rate schedule.

Right there I take issue with the article. I say: You cannot take the Canadian National Railways out of politics if you regard politics as it should be regarded as the management and development of the country. The Canadian National Railways must be regarded as an integral part of the machinery of Canada, the main object being not to produce dividends but to develop that portion of the country through which the railway passes. Those two divergent views are clearly held. We hold one; the centres of Montreal and Toronto hold the other.

Mr. MACLEAN (York): What would happen to the Canadian Pacific if that were the case?

Mr. MacDONALD (Cape Breton): I was pointing out the difference between a privately-owned company and a publicly-owned company. I regard the Canadian National Railways as a part of the machinery of this country and the earning and paying of dividends as a secondary matter altogether to the development of that part of the country through which it passes. The article continues:

> That this danger has been averted for the time being is due to the fact that Sir Henry Thornton, fully appreciating his responsibility as a public trustee, declined to play the part set for him by the governments of Ontario and Alberta. The Dominion government have boasted repeatedly of their determination to keep the Canadian National system out of politics. The public know, and Sir Henry Thornton certainly knows that, if the system is ever to succeed, its administration must be unhampered by political considerations. In yielding to the importunities of the Ontario and Alberta governments, Sir Henry would have committed himself to a hopelessly unsound principle and would have opened the door to a long series of political impositions. That he resolutely refused to take this dangerous step is a fact which is decidedly to Sir Henry's credit, and the public of Canada will learn to thank him for the course that he pursued. It is the president's natural ambition to build up the earnings of the Canadian National Railways to a point at which the railway will be self-supporting, and he has been able already to show a very comfortable operating surplus. If, at the bidding of any politician or group of politicians, he is to accept traffic at losing rates, the aim to which he has devoted so much energy and ability will never be realized, and the railway, into which the taxpayers have poured so many millions of their money, will never pay its way. There are probably few people in Canada who would not prefer that the country's fuel requirements should be met out of Canada's own resources, but that preference must always be subject to practical economic considerations, and the Canadian public will not improve their position by aggravating one problem in the effort to solve another.

As regards the railway situation we want our own railway back. Take your Canadian National Railways and do what you please with them; but give us back our Intercolonial railway and we shall be satisfied to bear the deficits which that road may incur, because that road and the management of it will give us some consideration and hope that does not exist now for the development of our natural resources in the provinces. The Canadian National Railways are being managed entirely with a view to the west. They have an enormous system of hotels in the west and none in the Maritime provinces. They lost hundreds of thousands of dollars in their hotel system throughout the west where they have magnificent hotels and golf courses. We have nothing of the sort in the east and they pay no attention to any request we make in that direction. In the town of Pictou they started a little bungalow system of hotels but got no encouragement from the Canadian National management, although an expansion of the hotel system throughout the Maritime provinces would secure an immense tourist trade and pay dividends on the capital invested in the hotels themselves. The service we get in the Maritime provinces is poor in every respect; the train service, the motor service and the track service are all inferior. As a matter of fact the management is starving the track. They shortened up the track force with the result that we have had within the last two or three months three or four accidents which I am told have been due entirely to the diminished service on that portion of the railway. The difference between the treatment accorded the west and the treatment, or lack of treatment, rather, which the east has received was very well exemplified here last spring when we tried to get our coal moved from Nova Scotia at the same rate as Alberta coal was carried for. Did we get any concession in that respect? Alberta coal was moved at

a lower rate than actual cost but this concession was refused Nova Scotia, and when the representatives of that province related the sufferings of the miners there they were met with goodnatured smiles and jocularity on the part of members of the government. The government appear to have one idea when dealing with the Maritime provinces, and that is to exact everything that the traffic will bear. I know of numerous instances which display very bad business judgment on the part of the management itself. For example, I know of a little industry in that section of the country which all along has been giving about $50,000 a year in freight to the Canadian National Railways. The company have been using, for the purpose of transporting the freight to the main line, about one mile of track which was laid down years ago by the railway. They have not been paying for the use of this track, but this year the management of the Canadian National Railways insisted that the company pay an interest charge upon it, although, as a matter of fact it was nothing but scrap when it was first laid down. The company refused to meet this demand with the result that the railway spiked the switch, declining to afford this service any longer. In consequence, the company are making an effort now to have their products transported by water, and the Canadian National Railways will in all probability—I hope they will—lose this revenue of $50,000 per annum from the company.

A few years ago we had in Sydney a terminal wharf in connection with the Canadian National railway. It was partially destroyed by fire some years ago and has never been rebuilt, having been allowed to fall into disrepair. No attention has been paid to that wharf. In the estimates of this year I find an item of $75,000 for the purchase of the site and for the building of a wharf within 200 feet of that railway terminus. One-half of that amount would repair the old terminus and the other half of the money could give us a new wharf. Unfortunately, however, one structure is under the Public Works department while the other comes within the purview of the railway. Surely these two departments must be on speaking terms with each other. As the money which will be spent for wharf facilities there will come out of the common treasury of the country, I would urge the Minister of Public Works (Mr. King, Kootenay) to look into this question carefully, for I am sure he can save the country many thousands of dollars.

Cape Breton is the natural gateway of Canada. The government may spend a lot of money, as in fact this Dominion has spent, in developing port facilities at Montreal, Quebec, Halifax and St. John. But notwithstanding all the millions which have been already expended and the millions which will be spent in the future, the fact remains that Cape Breton offers the natural advantage of being the front door of Canada. Some years ago a rather interesting experiment was made when a transatlantic steamer was stopped some miles off Sydney harbour, where some of the passengers and the mails were removed and sent by rail from Sydney to New York and Montreal. These passengers and mails arrived in New York twenty-four hours ahead of the steamer. The incident was never repeated, the matter having been hushed up. Nothing further was ever heard of it. What was the reason for this? The explanation is that it did not suit the financial interests that had all their money invested in the port facilities of these various ports to have it acknowledged that the natural trade route from Europe to the orient passed through the island of Cape Breton. No doubt the time will come when that island will come into its own, but this will never be while such a government as this remains in power or while the Canadian National Railways continues under its present executive. I do not like to make cheap criticisms of men occupying high executive offices, but I am bound to say with regard to the head of the Canadian National Railways that as a chief executive he is certainly a very good afterdinner speaker.

Now, in a budget debate it should, I think, be the object of every speaker to view things from the national standpoint; but we may be forgiven if in discussing questions of this kind we assert our own point of view and claim the rights that are due our own industries in the Maritime provinces. And certainly none of those industries is afforded any encouragement by this budget. From the Maritime point of view the budget is indeed a very disappointing and discouraging document. We have in that part of the country three great industries in which I am particularly interested, the fisheries, coal and steel. Off the coast of Nova Scotia there lie the greatest fishing grounds of the world. From the shore to the banks, 400 miles away, nature has placed at the disposal of man the most abundant school of fish that is to be found in the known world to-day, but we cannot take advantage of this wealth.

Our shore fishermen pursue a hazardous occupation, but they receive no benefit from

any rural credit scheme; they are obliged to fit themselves out with their own little fishing plant, and on that plant they cannot secure a loan of any kind. Frequently their nets are brushed away by steamers and by floating ice, and in many cases the fishermen lose all their equipment, but no assistance has ever been given them by this or any other government.

Now, the development of our fisheries is a very important question, indeed, it is a national question and should be treated as part of a national policy. There should be a great national development of our fishing industry from the catch to the table. We want our fishermen in the first place to be educated in curing fish. I understand there is some movement on foot by the government to do this, and I commend its purpose. We want a system of transportation and cold storage, and most of all we want a system of education in cooking fish, especially throughout the province of Ontario. I do not believe that the people of this province know how to cook fish. Perhaps they do not get the right kind of fish to cook. Certainly they appear to give all their attention to fresh fish, and I hope some epicure will commend to the people of Ontario the good qualities of salt fish, which in may instances are preferable to the fresh article. Some years ago the United States government sent a lady through the states to teach the women how to cook fish. Possibly the Minister of Agriculture (Mr. Motherwell) might use his good offices to have her sent over here to instruct our people how to properly cook fish from the Maritimes so that the market for our fish may be developed in this province. It is said that meat comes from the Lord, but cooks come from some other place. After eating fish in this city I am inclined to agree with that dictum.

I am not going to take up the attention of the House by a lengthy discussion of the coal question. It has been stressed, perhaps beyond the point of patience of many hon. members, but I think we have made plain to them exactly what we want.

4 p.m. We want an increased duty on coal. We want freight rates that will enable us to get our coal into the central market. We also want introduced this session, if possible, the bill which I understand the government introduced last session, providing for assistance in the establishment of coking ovens.

Mr. MEIGHEN: Introduced the resolution, but dropped it after the election.

[Mr. MacDonald.]

Mr. MacDONALD (Cape Breton): Well, it will take some years to get coking ovens ready for operation. I am content that the government of the day should receive every credit that may be due to them for the introduction of such a bill. I put a question on the order paper the other day relating to this subject, but I received a somewhat evasive answer as to the intention of the government. There is one thing, however, they could do to help our coal industry—they could make the Canadian National Railways buy Nova Scotia coal and Alberta coal—Canadian coal—in accordance with the pledge given by the Prime Minister to the people of Nova Scotia at Amherst on October 4, 1921, when he said:

> Free trade is not the policy of the Liberal party.

Might I call that to the attention of the hon. member for South Huron?

> Free trade is not the policy of the Liberal party. If it were I would oppose it because I believe it would bring disaster to our industries and remove from the farmers the home market, which is practically the only market they have left.
>
> I am a firm believer in the establishment of a national coal policy for Canada. No country, especially a country with cold winters, which depends on a foreign nation for fuel, can claim to be independent of that nation.

These are the words of the man who was entrusted with power four years ago:

> Every pound of coal purchased by the government should be mined by Canadian miners and transported over government railways to the points of consumption. Coal required by other consumers in Canada should be transported at cost.

We want nothing more than the fulfilment of the Prime Minister's promise. And far be it from me to entertain for a moment the thought that a person occupying such a proud position will not carry into effect the promise he made on the hustings.

With regard to the steel industry, we have in the city of Sydney a steel plant organized and put into operation some twenty-five years ago. It began under the most favourable auspices and continued until some four or five years ago, when unfortunately this government began to tinker with the tariff, with the result that that great institution in which millions and millions of dollars have been invested is to-day on the verge of bankruptcy, and the men employed in it meet me on the street with the same look on their faces that those men had who came here from Oshawa the other day. Possibly that is the reason why I felt sympathy for them and changed my mind so quickly with regard to the reduction of automobile duties. The following is a list of the various drawbacks and tariff tinkerings which this gov-

ernment has put into force. It is rather long and I ask the permission of the House to put it on Hansard.

This is the statement referred to:

Drawback of Duty on Spring Steel, Steel Billets and Axle Bars

According to items 1007 and 1008 of the present tariff, a drawback of duty is provided on importations of the above articles. This drawback is absolutely unwarranted at the present time, since the Canadian steel industry is able and we are prepared to make the steel necessary for the purposes.

Steel Products free of Duty

The following steel products are now allowed into Canada free of duty:

Barbed wire of 9, 12 and 13 gauge for fence-making; pig iron for most agricultural implements; used rails for re-rolling into reinforcing steel, bed slats, etc.; rolled steel for most agricultural implements; bright wire 10, 11, 12 and 13 gauge for springs and mattresses, and many other products.

Rebates of Duties on Steel Products

The following items are subject to rebates of duties:

Pig iron used in the manufacture of agricultural implements; billets, axles bars and flat spring steel when used in the manufacture of other than railway and tramway vehicles; steel for manufacture of spiral springs for railways; steel under 1½ inch diameter or 1½ inch square when used in the manufacture of locks and knobs; steel used in the manufacture of hardware as specified in item No. 1009 of the general tariff; bar steel for chainmaking; wire rods not over ⅜ inch diameter when used in the manufacture of 9, 12 and 13 gauge galvanized wire.

Coke

At the present time coke imported into Canada for metallurgical, foundry and domestic purposes comes in free of duty. This coke is being made in Canada, and if a duty were imposed greater sales would be possible, with the result that by-products in the form of gas, tar, sulphate of ammonia, and so forth are left in this country. What is needed to properly assist Canadian coke production is a duty of $1.00 per ton on coke imported for metallurgical purposes other than pig iron.

Rebate of Duty on Coal imported by Operators of By-product Coke Ovens

Under present tariff regulations bituminous coal imported for the manufacture of coke by operators of by-product coke ovens is subject to a rebate of 99 per cent. Suitable coals for the manufacture of metallurgical and domestic coke are available in Canada, and any coals imported for this purpose should be subject to the regular duty on bituminous coal. If it is considered necessary to pay steel plants using American coal 50 cents per ton as is being done at present, we believe operators using Canadian coal should receive the same treatment.

But another feature of the tariff tinkering is brought to my attention by a resolution which was passed by the Works Committee of the steel industry a short time ago. The resolution was introduced at the regular meeting of the committee on Tuesday, October 6, 1925. Mr. T. M. Keating, of the rolling mills, was the mover, and Mr. D. J. McDonald, of the mechanical department, the seconder, and the resolution met with the unanimous approval of the committee. These men are known to me, Mr. Speaker. They are men of more than ordinary intelligence, men who have been Liberals all their lives so far as I know, but who, in their own defence, were obliged to forsake their party at the last election and throw in their lot with the Conservatives. The resolution is as follows:

Whereas, the population of the city of Sydney and surrounding districts are depending either directly or indirectly on the steel and coal industry;

Whereas, anything of an industrial or economic nature that effects adversely these industries must necessarily be reflected in loss of wages to the employees and lack of prosperity to the whole community;

Whereas, steel rods, billets, and other steel products, from European countries are being dumped into Canada in competition with the Canadian-made article;

Whereas, steel rods have been landed at Sydney at a much lower cost than they can be produced at our own steel plant;

Whereas, the underselling of the product of our own plant is made possible because, first on account of the depreciated currency of these European countries, second, because the present duty on steel products, billets, rods et cetera, is not sufficient and does not give the amount of protection that was afforded previous to the war, or when the cost of production was much less than obtains to-day;

Whereas, the workers in these countries with depreciated currency have a much lower standard of living than our Canadian workmen;

Whereas, on account of this unfair competition the steel trade is losing some of its best customers—fact we are prepared to prove;

Therefore, be it resolved, that the General Works Committee, representing the men most seriously affected, in meeting assembled call upon the Sydney Board of Trade as being the representative body of the communities interests to demand of the federal government that provision for protection be made against the importation of iron and steel from countries with depreciated currency.

So much with regard to that.

Another statement that I wish to put on Hansard is one issued by the general manager of the Dominion Iron and Steel Company to the representatives of the General Works Committee reading as follows:

In keeping with the discussion we had with you at a joint committee meeting held on September 3, covering the subject of plant operations. The question of importation of foreign billets and rods was taken up with the idea of ascertaining why it was more advantageous to the company to purchase continental billets or rods than to manufacture same in our own plant.

We were asked for a price on 5,000 tons of billets for delivery to our very good customers in Montreal, the Peck Rolling Mills, and lost the business.

We understand the billets have been purchased from Europe at $22.75 per gross ton, c.i.f. Montreal. (This is within 50 cents of the price of pig iron at Montreal.)

It would cost the British Empire Steel Corporation $5.20 per gross ton to take a similar quantity of billets from the billet mill, load them on a boat and deliver them in Peck's plant at Montreal.

Why is this?

1. The steel plants in France are mining ore, coal and limestone, and making steel with labour paid in

francs, which are now worth 4.7 cents of Canadian money per franc, and were worth before the war 19.3 cents per franc.

2. If the workmen in Cape Breton and France have received the same rate of increase in wages upon those paid before the war, it simply means that the French workman is being paid 4.7 cents in worth of Canadian money instead of 19.3 cents formerly paid, or say 25 cents instead of a dollar.

What are the remedies?

The government should protect Canadian workmen against imports from countries where wages are paid in depreciated money.

Those customs duties which are fixed by the ton, and to-day give only half the protection they gave when first imposed, should be increased to cover the increase that has taken place in wages.

Coal should be available for steel-making purposes at a much lower cost.

Such, Mr. Speaker, are the views of the men who are engaged in this industry of making iron and steel in the island of Cape Breton. That concern to-day is on the verge of bankruptcy simply because this government has withdrawn little by little the protection which was absolutely necessary to enable it to conduct its business at a profit.

The commision which this government has appointed to look into Maritime matters will no doubt take up the question of coal and steel. With regard to the commission itself, we from the Maritime provinces were at first opposed to the idea. We did not want a commission to look into our affairs or to tell us what we required, but now that the commission has been appointed I, for one, intend to give them whatever assistance may be in my power, and to place before them all the evidence that is available touching on the interests of my constituency. I do hope, perhaps not as confidently as I might otherwise, that when their report comes in here, suggesting and recommending certain remedies for the ills from which we are now suffering in the Maritime provinces, it may be received, adopted and acted upon by the government of the day, and that the disabilities under which we labour may disappear.

Mr. W. A. HALL (South Bruce): Mr. Speaker, may I be permitted to congratulate the Minister of Finance (Mr. Robb), not so much on the splendid financial statement he has presented, but upon his courage and good sense in taking advantage of the circumstances that made it possible? Doubtless this is the best budget since the Fielding budget of 1897. Its good effects will be felt by people of all conditions, especially the working classes. The circumstances that made this budget possible constitute the greatest achievement of the King government. According to the press of both political parties the Robb budget is being well received by all the people in this country, except by two cities where motor cars are assembled, or perhaps I should say where motor cars are manufactured in part. However, Henry Ford, of the Ford plant, has declared himself in favour of a reduction, not only of 15 per cent, but of 35 per cent in the duty on automobiles, in other words, in favour of free trade. This may be accounted for by the fact that the Ford plant has passed the stage of infancy and does not require further nursing. Let me remark here that it would be a Godsend if we had more Fords in Canada.

The Robb budget presents six things—three reductions and three increases. Reductions, first in taxation, both direct and indirect; secondly, reductions in expenditure; thirdly, reductions in the national debt. It presents increases, first in trade and commerce; secondly, in reveune; and thirdly, an increase in the surplus.

Direct taxation has been reduced in four different ways: First, by removing the sales tax on many articles; second, by wiping out the receipt stamp; third, by adopting two-cent postage instead of three-cent, and fourth, by lowering the income tax. These adjustments in the income tax have been so well planned that the greatest relief will come to the most numerous class of our income tax payers. It will bring relief to the people of small incomes, and will doubtless produce widespread benefits. The reduction in the income tax will doubtless not affect national revenue very much, as there will be more money available for production. This has been the experience of the United States and also Great Britain.

Coming to the increases, first, the trade of Canada has been increasing during the last eight years by leaps and bounds. Canada ranks second among exporting nations of the world on a per capita basis, and stands fourth among the world traders in foreign markets. The total trade for the fiscal year ended March 31, last including exports and imports was $2,258,534,455. The increase in exports from last year was $249,000,000, and the increase in imports $130,000,000. The favourable balance of exports over imports during the year amounted to $402,695,000, as compared with a favourable balance of trade of $29,000,000, during the last year of the Meighen government. Our import trade accounts for about ninety per cent of the increase in the balance of trade which shows the value of trade treaties within the empire.

Now let me deal with the question of expenditure. The expenditure has been reduced in five different ways: First, by practising rigid economy in the different departments of the government; second, by lessening the number

of civil servants; third, by lessening interest in the refunding of debts; fourth, by lessening the deficit of the Canadian National Railways; fifth, by lessening the deficit of the Canadian Government Merchant Marine. The total expenditure last year was $342,890,000, or $120,000,000 less than the total expenditure for the last year of the Meighen government. The national debt was reduced from $2,417,437,685 to $2,395,084,685, by applying the surplus or excess of revenue over expenditure to reduce it. The revenue for the last fiscal year was $376,000,000 as compared with a revenue for the previous year of $346,000,000, showing an increase of $30,000,000. The surplus of revenue over expenditure was more than $22,000,000 or an increase in surplus over last year of almost $22,000,000. The deficit on the Canadian National Railways amounted this year to $38,800,000. This represents interest to the public amounting to $7,400,000 and interest to the country amounting to $31,400,000 on money loaned to the railways by the government. The deficit on the Canadian Government Merchant Marine last year was $668,000. This shows a great improvement as compared with the deficit in the last year of the Meighen government which was over $9,000,000.

The Liberal party stands for a downward revision of the tariff, while the Conservative party calls for an upward revision. But there are insuperable obstacles in the way of too great reductions, chief among which are financial obligations. The Conservative party argues for stability of the tariff, while at the same time it talks of building a tariff wall brick by brick equal to the United States tariff, necessitating change and thus instability. The United States during the last quarter of a century has had the Wilson tariff, the McKinley tariff, the Dingley tariff, the Underwood tariff, and the Fordney-McCumber tariff. In Canada we have had the National Policy, the Fielding tariff, the White tariff, and the Robb tariff, the last the best of all. Thus we see that in neither Canada nor the United States has there been any great stability, but rather stability by change. A gradual reduction in the tariff should be our aim.

Let me remark here that a tariff for revenue and for protection is somewhat of a contradiction. This double function cannot operate at the same time. If our industries have to be protected the tariff must keep goods out of the country. If revenue is the aim of a tariff goods must be brought in. Goods cannot be brought in and kept out at the same time. Tariff revision downward is all important. The limit to this is adequate revenue. The future prosperity, solidarity and stability of our country depends on increase of our exports and imports. The only way to carry on foreign commerce is to import and to sell exports in exchange for imports. We need to export $200,000,000 worth of produce yearly to pay our foreign liabilities, namely, the interest on borrowed money. This is the only way we can pay that interest. These exports are derived largely from agriculture and allied interests. The products of the farm, the products of the forest, the products of the mines, the fisheries and so forth must pay the greater part of our external liabilities. We must be able to meet our financial liabilities as a nation. Consequently we must not place any unnecessary obstacles in the way of trade —no high tax on instruments of production, no unjust tax on capital, and no high tariff wall to obstruct trade and international commerce.

Just as expenditure of the individual should be within the limits of his income, so should the expenditure of the government be within the limits of the revenue. But what is far better is to have a large surplus, as the King government had for the fiscal year ended March 31, 1926. Doubtless this government has made long strides along the road of public economy. This, Cobden described as public virtue. While lavish expenditure is a terrible public evil carying in its train many others, the only solution is individual and national economy. The estimates presented for this year show a very great reduction in expenditure, $120,000,000, from that of the last year of the Meighen government, 1921-22.

Then to return to the tariff again, may I ask what is a sound and sane and sensible and safe tariff policy for Canada? To whom shall we go for such a policy? Not to the Conservative party. We all know that the historic policy of the Conservative party is a policy of protection—protection for protection's sake—to enrich the few who are protected, at the expense of the many who are not. But the right hon. leader of the opposition endeavours to meet this in a rather sly way by promising to place a high duty on the products of the latter class. Is this not another blind intended to deceive? Although many good citizens believe this to be a sound policy, yet many more, just as good citizens, pin their faith to a moderate tariff—a tariff only for adequate revenue. This is the policy of the present government. However, I am of the opinion, if we are to get a sound and sane tariff policy we shall have to turn back to the policy of the Liberal party in 1911. That is the tariff as it then was with the amendments that were contem-

plated by the government when it went out of power. In this there is the framework of a sound and sane tariff policy. However, with changing conditions, variations must be made to suit the changed conditions.

The hon. member for South Wellington (Mr. Guthrie) said that the policy of the Liberals from 1897 to 1911, was the national policy of the Conservatives from 1879 to 1896. This is not so. If the hon. member will read his own speech, as recorded at page 1705 of Hansard of 1901, I think he will be convinced that this is not the case. In that speech he charges the Conservatives with inconsistency. He reminds them that they said that the policy of the Liberals at the revision of the tariff in 1907, had torn down and destroyed the National Policy, and then afterwards, when things changed, he says they turned to a sane and sound policy. If you will turn to the records of that time you will find that the Tory leaders as well as the Tory press denounced the Liberal policy of 1897. They said that the Liberals had torn down and destroyed the National Policy. But as the years passed and the country prospered and developed the Tories swung around and claimed the policy to be theirs, namely: to be the National Policy. In the same manner the hon. member claims that the right hon. leader of the opposition is the father of the Canadian National Railways, having unified and consolidated the different railway systems. But what is the truth? The Meighen government passed the Railway Act to take over the different systems, but the unification, consolidation and co-operation of the different systems was left to the King government to accomplish. This government placed the Canadian National Railways under one board of directors with one president and general manager, Sir Henry Thornton, instead of under four or five boards with as many presidents and managers. We all know the results produced by this policy.

But to return to the Liberal policy of 1897; proof that it was not the National Policy of the Tories is afforded by taking the facts and figures of the period from 1897 to 1911. Take the actual savings in custom duties, and the savings that were made by the reduction in the prices of home manufacturers. You will find the changes made represented hundreds of millions of dollars in the pockets of the people of Canada. Then how could it be the old National Policy? It was the policy which made this country grow and prosper as it never had before. During this period, there was the greatest development, the greatest prosperity, and the greatest increase of population—amounting to 34.17 per cent—that had ever taken place in Canadian history. There was added to the population almost two and a quarter millions. This was Liberal rule under Laurier, with a tariff for adequate revenue. But the period from 1879 to 1896 was characterized by depression, by lack of development, by lack of prosperity, by a very small increase of population, amounting to only 11.44 per cent, the smallest of any like period in the history of Canada. Mark you, this was Tory rule with a high protective fiscal policy. They called it the National Policy. Indeed, several of the then leading Conservatives confessed in the House of Commons that high protection had not accomplished what it was intended to do,—in other words, it had failed.

But in the early part of this period of Tory rule, their leaders as well as the Tory press claimed that the National Policy would cause industries to flourish, would give employment to everyone, would retain in Canada her own people and would increase her population greatly. What happened? From 1881 to 1891 there came to Canada 886,000 immigrants. Out of this number only 36,000 remained in Canada as shown by the census containing the number of foreigners born in Canada.

Now, Mr. Speaker, permit me to read some extracts from Hansard bearing on this matter. In 1892, Hon. T. M. Daly, Minister of the Interior, in the Tory government, said:

> I do not believe that our fiscal policy has anything to do with our people going to the other side of the line. As the census showed that the National Policy had not accomplished its objects.

Mr. Daly declared that the National Policy had nothing to do with the emigration. In the same year, Mr. R. Armstrong, president of the Young Conservative Association of Toronto, said:

> The question as to why thousands are leaving this country every year and going to the United States, should engage our serious attention, for it is quite evident that the older heads are not going to do so. I am informed that no fewer than 6,000 persons have left this city during the past year—left all that is near and dear—and gone into foreign exile. In short, there is no concealing the fact that we are being annexed in job lots every week and there is not a voice raised against it.

In the same city, Mr. J. H. McGhie, afterwards one of the members for Toronto, said:

> The men who were spangled with knighthood, sit talking of loyalty in the midst of ruin and desolation. It was from the young men, that they must expect a new order of things.

Now judging from these statements and facts, a few out of many that might be cited, those were very dark days for Canada,—

manufacturers making no headway, unemployment, emigration almost keeping pace with immigration, Canadian-born drifting by thousands across the line, farmers quitting the land, skilled workmen leaving for the country south of us and unsatisfactory conditions generally due to industrial depression. This is another case of promises made to the people of this country—promises that could not be fulfilled. The National Policy of the Tory party was to be a panacea for all ills. But it utterly failed. Consequently, the Tory party with its policy became discredited, was defeated at the polls in 1896 and was succeeded by the Liberal government which had a real fiscal policy.

One of the first things to engage the attention of this new government was tariff reform. In 1897 a thorough revision of the tariff took place when forty-seven different articles were added to the free list and duties reduced on 147 others including farm implements. In addition a substantial preference over the rest of the world was given to the products and manufactures of Great Britain. Sir Charles Tupper, and his party due, I suppose to their super-loyalty, bitterly opposed the British preference as well as the whole revision of the tariff. Sir Charles surprised the House by his historic attacks found in Hansard, volume I, page 1291, year 1897. He said in part:

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

I ask, where was his super-loyalty? The Tory cry was, as it is to-day, preference for preference, Canada first. This makes one think of the present leader of the Conservative party in his pre-election speeches last year when he repeated Sir Charles Tupper's words: "preference for preference, Canada first." Thinking like this, made it easier for him to make his famous Hamilton speech.

The concessions given to the farmers of free binder twine, barbed wire, other fencing wire, Indian corn, cream separators, and so on, were denounced by the Tories on the score that they would result in the wiping out of these industries in Canada. But what happened? These industries continued to flourish as never before. The Robb tariff will have a similar effect on the automobile industry. Although binder twine and the other products mentioned are on the free list still as far as I am aware, and although these gentlemen declare that the British preference and the tariff changes would seriously injure our manufacturers, the contrary has proved to be the case. Mr. Speaker, will you allow a few more extracts from Hansard? On different occasions the Tories moved in the House the following resolutions:

> Moved, that the House, regarding the operation of the present tariff as unsatisfactory, is of opinion that this country requires a declared policy of such adequate protection to its labour, agricultural production, manufacturers and industries as will at all times secure the Canadian market for Canadians.

Speaking on this resolution, Mr. Rufus Pope, Conservative member, said:

> The resolution that I would have preferred would be a resolution for a Chinese wall all round.

Mr. Blain, member for Peel, during the same session—1902—said as reported in Hansard of that year, page 1499:

> I hold that the tariff should be so arranged that every institution in this country which is manufacturing goods to be consumed by the Canadian people, should have sufficient protection to keep out the same class of goods made in any foreign country; and I have no hesitation in saying that if that country should be England, the policy of Canada should be framed in the interests of the Canadian taxpayer as against the people who are producing the same class of goods even in the Old Country under the same flag.

Mr. Henderson, Conservative member for Halton said, during the same session:

> It was said in the early days of the present tariff that the Liberals had stolen our clothes. I have never said so, and I do not consider that they have done anything of the kind. I am only sorry that they did not, for it would have been better for the country if they had. Their tariff is instead just the antithesis of ours.

That is what Mr. Henderson states in regard to the Liberal tariff as compared with the Tory tariff. He says that one is the antithesis of the other. These quotations amply show that the Tories regarded this as a new fiscal policy. Indeed, they claimed that the Liberal policy would paralyse the industries of the country. They hoped and prayed for this, but their expectations were doomed to disappointment. On the other hand the Liberals claimed that this new policy would benefit the industries instead of injuring them, just as they claim that the Robb tariff will help the automobile and allied industries on account of increased sales rather than hurt them. Indeed, I challenge anyone to point out a single industry ruined by similar changes in the tariff. On the contrary, all modifications of this kind have invariably produced beneficial results to the industries affected.

In this instance, as in all others, time proved the Tories wrong and the Liberals right. There followed a great revival of business, trade and commerce improved and even manufacturers flourished as never before. After this the Tories swung around and said that the Liberals had made no material changes in the tariff; that their so-called National Policy was still in force, and that the Liberals were wearing their clothes. Is this not what the Conservative party now claims? But the people had not forgotten what the Tory leaders as well as the Tory press had said and done when the Fielding tariff was enacted.

Perhaps the most outstanding feature of the new tariff was the British preference. Its results have been highly beneficial alike to Canada, Great Britain and the empire. This preference at first was a reduction of one-eighth, later one-fourth and still later one-third of the general tariff. As I said before, the Conservatives strongly opposed this preference; they spoke of it as a myth, a sham, a fraud on the British people, a danger and menace to manufacturing industries, the thin end of the wedge to destroy protection in Canada.

The leader of the opposition (Mr. Meighen) referred to this preference in his speech at Kitchener last October in the following words:

> I would give a preference to the people of Great Britain, Australia, New Zealand, any people within our empire, but on this condition that they give us a preference in return, until then it is no duty of Canada to continue the preference.

Now, Mr. Speaker, what does the leader of the opposition mean by this statement? If he were leader of the government would he terminate this preference? That seems to be the logical conclusion. The Conservative party is certainly true to its name; the same yesterday, to-day and forever. The very language of Sir Charles Tupper is employed by the present leader of the opposition, namely: preference for preference. Let me say here, that the Hamilton incident is in keeping with this occasion at Kitchener. On both occasions, what a manifestation of super-loyalty! By the way, further proof of Tory super-loyalty in Lord Elgin's time was shown by the burning of the parliament buildings in 1849, by pelting the Governor General with malodorous eggs, and by other manifestations of hostility.

We also heard during the campaign last autumn a great deal about the decrease of immigration and the increase of emigration. The opposition in the House as well as the Tory press still continue the mournful, doleful wail. May not this account for the great increase in the favourable balance of trade—the large export of exaggeratedly pessimistic news? The leaders and press of the Tory party have indulged in this trade, apparently with a certain morbid satisfaction. This tendency has been altogether too general among responsible persons in the Tory party. Their dismal prophecies, loud wails, though not taken too seriously at home, cannot fail to be believed by the people of other countries, and thus produce incalculable injury to Canada. The Robb budget, however, should dispel any such lurid and unwarranted impressions in Canada.

We are ready to admit that since the Great war immigration has slackened and emigration has been more active. There are many reasons for both, which we all know. But I am glad to say that the grounds for these reasons are gradually passing away and conditions are already fast improving. But my Conservative friends claim to have one sure remedy: "protection for all industries"—their cure-all nostrum. Why, Mr. Speaker, it reminds one of a patent medicine advertisement. What are its claims? It would beckon the exiles back to their homes. It would call home the sons and daughters who have gone. It would give work to those who are here. It would bring immigrants from other lands and so forth. But will this remedy do all these things? No more than any patent medicine will cure all diseases. Why, Sir, this is an old remedy, tested and found worthless, tried by the Tory party for nearly twenty years. The experience they had with it was that the longer it was used the worse conditions became, especially during the five or six years from 1891 to 1896. These were the darkest days of Canada.

The population of Canada was practically at a standstill outside of Quebec. The population in the Maritime provinces actually diminished. Ontario's population increased in these five years only about one per cent. Most of the few immigrants that came to Ontario soon found their way into the United States. The results of the Conservatives' efforts during this time to populate the west was described by a western Tory paper in the following graphic language:

> The trails from Manitoba to the states were worn bare and brown by the wagon wheels of departing settlers.

During this period between 1891 and 1896, about 100,000 immigrants were brought into Canada at a great cost, most of whom crossed the line later into the United States. Indeed, we could not keep our own people. The United States census of 1900 showed that over

1,000,000 of the population of that country had been born in Canada. Is it any wonder then that the people of Canada discarded this once much lauded nostrum of "High Protection" and voted a change of government in 1896, thus securing for themselves a worthwhile remedy—Liberal rule?

Then followed the golden era of prosperity and contentment under Laurier, the brightest and most glorious period in Canadian history. In conclusion, let me say that the Robb budget augurs well for a repetition of similar conditions in Canada under the King government.

Mr. R. E. RYERSON (Brantford City): Mr. Speaker, as this debate has been running on for some time and, to my mind, has covered every feature of the budget, I find that it will be difficult for me to add anything new to the discussion and consequently my remarks will not take up very much of the time of the House. From the standpoint of the workingman and his family there is not one feature in the budget generally that has anything to offer him of benefit. They will not be interested in the reductions in income tax. They will probably be interested to learn of the wonderful trade expansion and the increased prosperity of this land so ably set forth by the Minister of Finance (Mr. Robb). But they will wonder just what share of that increased prosperity will be their proportion. What the workingmen of this country are most anxious and concerned about in all this is the proposed drastic tariff reduction in regard to the automobile industry which so closely affects the many centres where this industry flourishes, and which again threatens to upset and demoralize the labour markets of Canada.

With good reason they will remember their experiences of the past four years, during which other manufacturing industries have been attacked by drastic reductions in the tariff.

They have suffered in the past, and the majority of them have a definite opinion as to the principal cause of this suffering. Is there any wonder that this important class of our citizens will look with suspicion and doubt upon this particular feature of the budget?

Representing as I do, Mr. Speaker, the industrial city of Brantford, I claim to know something of the burden of taxation which has rested so heavily upon the shoulders of our citizens, and also the evils of tariff reductions and the tariff tinkering of this government, which have from time to time so seriously upset and injured the industrial life of our city, and it is in connection with these two features of the budget that I desire to offer some criticism. However, Sir, before touching upon these matters, may I be permited to say that while many hon. members of this House will not agree with the government as to the cause, I feel sure every one of us, as well as the general public, will rejoice and be thankful for the improved trade conditions which prevail throughout Canada and which have made possible the very satisfactory financial statement which the hon. Minister of Finance has presented. That the government has, as a result of these favourable conditions, been enabled to some extent to reduce the burden of taxation, particularly in the case of moderate incomes derived largely from salaries, is a matter for further congratulation.

Now then, Mr. Speaker, in connection with the reduction on income tax, may I be permitted to point out that a close study of the proposed changes reveals the fact that there is a large class of our citizens who will receive none of the benefits of this reduction, but who on the contrary are penalized and will have to pay more. I refer, Sir, to that class whose incomes are largely derived from dividends from Canadian corporations whose earnings are subject to the corporation tax. Under the old act, this class of income was exempt for normal tax purposes but now will be fully taxed the same as other incomes. In my opinion this double tax will prove a very great mistake and one that will seriously hamper the further industrial development of our country.

Many of our industries are languishing today for lack of additional working capital, and millions more are required for new enterprises. May I ask, Mr. Speaker, where is the additional capital to come from? Those of us who have experienced the difficulties of securing new capital for existing and new industries during the past two years well know that the investing public have been very careful and timid. The general business depression which has existed, and the uncertainty caused by reductions in tariff from time to time has made the investor extremely cautious. What will his attitude be now when the effect of this increased taxation becomes known? Is there anything in this budget to encourage him to continue investments of this nature? On the contrary, I claim there is much in this double tax and in the tariff reductions to turn him entirely away from this class of investment.

There is another point, that I wish to bring out, and it is this, that in the matter of these dividends there is also a third tax, which of course this parliament is not responsible for, but which however exists. I

refer to the municipal income tax, which is levied on all dividends. It will be observed that by adding this municipal tax to the double tax, under this proposal, there will be three distinct taxes levied. The total of these combined taxes will run anywhere from 15 to 20 per cent upon the earnings of every industrial corporation whose earnings are paid out in the form of dividends.

In the city of Brantford, and I doubt not but what this statement will apply to any manufacturing centre in Canada, there are many of our citizens who have invested their surplus savings in local manufacturing industries, largely, in the first place, for the purpose of building up their city, and who have from time to time put back into these companies the dividends received from them, to provide additional capital, and whose income to-day is partially or wholly derived from this source. Is it reasonable or fair, Sir, that this class of our citizens should be penalized, as they will be, under these proposed changes? I maintain that they are entitled to equal justice, and it is on their behalf that I appeal to the Minister of Finance for consideration in this matter.

I would like now to refer briefly to the tariff reductions as proposed in the budget, particularly those relating to the automobile industry. I frankly admit, Sir, that I possess very little knowledge of this industry, but I do claim to know something of the demoralizing effects upon a community where important industries have in a similar manner, during recent years, been attacked by the policy of this government. Many of our manufacturing centres have gone through this experience, and have suffered untold hardships because of this policy. Not only has the manufacturer suffered, whose particular product has been directly affected by tariff reductions, but the general feeling of doubt and uncertainty as to where these reductions in tariff would stop and which industry would next be placed upon the altar for sacrifice, has acted as a damper upon all manufacturing enterprises. These conditions have in turn reflected upon the entire life of the community, causing lack of capital for new and existing enterprises; unemployment problems for the municipalities; increased taxation; trade depression in all lines of business; decreased values in real estate; untold hardships and sufferings by the industrial workers; separation of families, and thousands of our people have been compelled to leave their homes, to seek employment across the line. Is it any wonder, Mr. Speaker, that I view with concern and alarm, this latest attack upon the industrial life of this province?

[R. E. Ryerson.]

I do not for one moment charge this government with all these distressing conditions. No more do I credit them with the distinct improvement which now exists.

But, Sir, I conceive it to be the first duty of any government, at a time of general depression such as we have been passing through, to extend, to the very limit of their energy and powers, every assistance and help to foster and encourage the flagging industires of our country. Has this been the policy of the government? Have they, during the past four years, given to this country one item of important legislation that has in any way assisted or helped the existing manufacturing industries or encouraged the establishment of new ones? I claim not, Mr. Speaker. On the contrary, every move and action has been one of blundering and open hostility. The "fixed policy" of the government has been one of attack and tearing down instead of intelligent assistance, fostering and building up.

I am not in a position or qualified to offer an opinion as to whether the automobile industry has been too highly protected or not. I know that throughout the country there is a well-defined opinion that in comparison with American prices we in Canada are paying too much for our cars, and that Canadian manufacturers have been taking an undue advantage of the protection they have enjoyed. I maintain, Mr. Speaker, that the whole subject is one of technical knowledge and that we in this House, who are not in full possession of that knowledge, have no right to pass judgment. For this very purpose has the tariff commission been appointed. If not for this, then how can the government justify its existence? Why, Sir, this very feature was one of the campaign promises of the Prime Minister (Mr. Mackenzie King). Again, in the Speech from the Throne, a definite promise was made in the following words which I quote:

> They believe that in the interest of industrial development every effort should be made to eliminate the element of uncertainty with respect to tariff changes; that changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the ministry with respect thereto. A Tariff advisory board will accordingly be appointed forthwith. This board will be expected to make a careful study of the customs tariff, the revenue to be derived therefrom and the effect of the tariff and allied factors on industry and agriculture.

After accepting and voting for the adoption of this definite policy, how can any member of this House support the budget in respect to this drastic reduction in tariff? Are the

promises and pledges of this government to be considered as worthless and of no meaning? They either do not know their own minds or deliberately seek to deceive and fool the public.

May I suggest another reason for these broken promises? It is this—the selfish desire and determination to cling to office at any cost, and the absolute necessity for the support of the western group of free traders. I have listened to speeches delivered in this House by Progressives and western Liberals, some of whose vision does not appear to extend beyond the four corners of a wheat field. No one reading or hearing these speeches could doubt their meaning and that nothing short of free trade or the total annihilation of all manufacturing industry would satisfy them. As a sample of this, I need only quote from Hansard, at page 283, January 20, of this year, a portion of the speech delivered in this House by the hon. member for St. Boniface (Mr. Howden):

> Suppose that over night or in the course of a few days our manufacturers from end to end of the Dominion closed their doors, I wonder what the effect of their action would be on the country. Would we have to shut down? Would we have to move out? I am willing to admit that the country would receive a very rude jolt, and that commerce generally would be badly embarrassed for a time, but eventually conditions would readjust themselves. The farmer would probably continue producing crops every year and selling them in the world's markets. Within a certain period of time the population directly affected by the action of the manufacturers would either settle on the land or find other occupation, the country would recover from the shock, and in the long run I imagine we would not be so very much worse off.

The only comment I desire to make, Mr. Speaker, is this. If the hon. member has fairly expressed the sentiment and opinions of the other nine Liberal candidates who contested constituencies in Manitoba in the recent elections, then the workingmen of our industrial centres can truly give thanks that the other nine were defeated and that he is the sole Liberal elected from that province.

May I say in conclusion, Mr. Speaker, that just so long as this government retains power by the domination and dictation of any sectional class of free traders, just so long will real prosperity and national unity be denied us.

5 p.m.

Mr. ARMAND SYLVESTRE (Lake St. John) (Translation): Mr. Speaker, I deem it my duty to take part in such an important debate as the one now engrossing the attention of the House, especially when I note the enthusiasm with which the budget has been received. There is no doubt that this budget has brought relief to all the homes; however, on the other hand, it has spread confusion in the ranks of our opponents. The best evidence of this can be found in the speeches of the hon. members for Fort William (Mr. Manion) and South Wellington (Mr. Guthrie) who, forced to admit the prosperity of our country, find no other justification than to ascribe this prosperity to Providence. It is a fact, Sir, that Providence has been especially kind to us, but our hon. friends forget the old proverb, which is always true: Help yourself and God will help you. Ever since the present government have assumed power, they have given proof of moderation and especially of economy in the administration of public affairs. They succeeded in wiping out the endless deficits which took place under the Conservative regime—in this instance Providence came to our rescue—while under the Conservative rule we have never known anything else but bad administration, wild and foolish expenditure. There is, therefore, nothing astonishing that Providence did not lavish its favours on such a government.

I am overjoyed with the budget. I spoke, a moment ago, of the relief which it has brought in the homes. I wish now to say a few words about the cutting down of the income tax. To-day, owing to this reduction, every home and in particular every individual will be able to set aside a good deal of savings. Indeed, not only do we reduce, but a remedy is applied to a state of things which was in the past entirely unjust; we discriminate as between the earned and the unearned income. It was unfair that a man who had but his salary to live on or to provide for the needs of his family, should be placed on the same footing as the one who drew the same income, but derived it from dividends or inheritance. To-day, we assess the income with more fairness. The doing away with the stamp duty on receipts is also an excellent measure.

Another very popular measure throughout the country is the return to the penny postage rate. On and after July 1, 1926, instead of 3 cents the postage fees on letters in Canada and to the United States will be but 2 cents, that is a saving of 33 per cent. Everybody will admit that it is quite an appreciable reduction.

Another item in the budget which meets with my entire approval, is the tariff reduction on automobiles. I live in a district where this means of travelling is at present, spreading more and more. The automobile is no more considered an object of luxury, but is in daily use, owing to the precious saving of time which we realize. As this reduction

applies to low price cars, it is again a popular measure, because it especially affects the mass. When I see manufacturers organize delegations, regardless of expense, in order to come and tell us that on account of such reduction —of so little moment—they will be forced to close their factories, I cannot, Sir, believe in the sincerity of these people, for I am not aware that the profits which the manufacturers make go to the people; they rather go to a priviledged class of society. No, this reduction will not be the cause of the closing of these factories. On the contrary, there will be a compensation owing to the increased number of sales.

It also affords me pleasure to discuss the important question of our railways. By a subtle intellectual effort, the hon. member for South Wellington (Mr. Guthrie) tried to ascribe to his leader, the one who, at present, guides the policy of the opposition, all the merit of the good management of the state railways. It is quite true, that it was under the rule of the leader of the opposition that the National railways were purchased, however, the hon. member forgot to mention the fabulous and fantastic price paid for a heap of old scrap iron and an entirely depreciated stock. We should rather congratulate the government on its judicious choice in selecting Sir Henry Thornton for the management of our railways, who, thanks to his able management, obtains magnificent results, to such an extent that these railways instead of being a burden to the state will before long be a source of revenue. And while on the subject, allow me to refer to something which especially interests the portion of the population which I represent in this House.

The county of Lake St. John located beyond this granite wall which is called the Laurentides, is reached only by the National railways. Half, at least, of the population of my county is at a distance of ten, fifteen, forty and even fifty miles from the railway. There is no need of further emphasizing this fact—since I represent an entirely farming community—in order to point out not only all the disadvantages and inconveniences which result, but also the necessity incumbent on the government railway to encircle with rails the county I represent. And that is what I beg the government to do. The time of evading the issue has passed! Too long have the farmers and settlers waited! Too long have the farmers and settlers of my county borne the burden! The time has come to grant them what they ask and I shall only cease insisting on my claim when this object has been attained.

[Mr. Sylvestre.]

Last night I listened attentively to the speech of the hon. member for Brant (Mr. Smoke). I must acknowledge that he had at least the frankness of expressing his views when so many of his freinds, in the opposition, share these views but dare not express them. He stated that he had noticed that there existed in the province of Quebec a certain antagonism against the province of Ontario. My good friend is very much ill informed. It is evident that he has never visited our province or he would express himself otherwise. I especially extend an invitation to him to visit us and if he accepts, he will meet a busy, hard-working and sympathetic people; he will meet a law-abiding people; finally, he will meet this good old French cheerfulness, as well as the smile which is seen only among our own people and impossible, Sir, to find on the faces of those who sit in the opposition.

An hon. MEMBER (Translation): Hear! hear!

Mr. SYLVESTRE (Translation): At the outset of this session, the sympathetic and distinguished member for Sherbrooke (Mr. Howard), in a brief speech, paid a very high compliment to the French Canadians. It is always delightful to hear people sharing neither our faith nor our language, speaking about us in praiseworthy terms. The hon. member for Sherbrooke lives among us and he has learned to respect us instead of despising us. Is this not the best example of tolerance which can be found? I do not think that it is an easy task to find many such cases in the other provinces. Although not belonging to the same faith or race as ours, the hon. member for Sherbrooke, nevertheless, represents a county of which three-fourths are French Canadian, and I admit that never has this county been better advised than in choosing the member who, at present, so worthily represents it. That is why I state: No antagonism whatsoever exists in our province against the province of Ontario. We are proud of our province, we are proud of our country. When I listen, for instance, to certain patriotic statements of my friends in the opposition, I would be inclined to believe that they alone love their country. I am not aware, however, that the opposition have a monopoly of all virtues and learning. I might retort: We also love our country but not in the same way. With your exaggerated high protective policy, you only think of the large interests, while we—I am not a free-trader, I rather place my trust in a moderate protective policy—love our country in a

different manner because we concern ourselves with every class of society. We do want our industries to prosper. They prospered under our rule and they will still prosper; however, we want the small wage earner to also have his share of happiness in this country; we wish to protect him and we come to his relief by reducing the tariff and helping him in every possible way. And I am convinced, Sir, that our love, if it is less demonstrative than that of the opposition, is certainly more to the point, for instead of contenting ourselves with uttering high-sounding statements, we use means which bring results. That is why I am convinced that, under the present rule, we are but at the dawn of our expansion, we are but at the beginning of an era of prosperity which will ever increase. For, it cannot be denied, it is self-evident, from one end of the country to the other, from ocean to ocean, there reigns an epoch of prosperity unknown for a long time past. It is not by appealing to race prejudices; it is not by attempting to set up classes, one against the other, that we will accomplish the most useful work; but it is simply by advocating closer ties, by asking that, throughout Canada, people perform the same good work as practised in our province, for in Quebec all races come into contact daily without any friction whatsoever, in Quebec all religious denominations carry on without people insulting one another. That is why, the day—to which we all aspire—when conditions which prevail in our province will have become general throughout Canada, we shall become a united nation, we shall form a whole, concentrating all our efforts—the common daily effort—towards the same goal, the same ideal, which consists in the development and expansion of our country, thus shall we succeed in making it greater, more beautiful, more united and more prosperous.

Mr. T. H. STINSON (Victoria, Ont.): Mr. Speaker, at the outset I want to congratulate the Finance minister (Mr. Robb) for the comprehensive way in which he has presented the budget. It is clear in most parts, contains some jokers in others, but on the whole it does not offer to the country the Christmas tree that the Speech from the Throne contained for our Progressive friends.

I believe in giving credit where credit is due. We thank the minister for some reduction in taxes. The receipt tax is gone, for which we are truly grateful. That tax was always a tax in the line of a nuisance. I think that he would have been well advised if he had abolished the cheque tax also, and left the postage rate as it is. The cheque tax retards business, and everything that stands in the way of holding back business should be removed as far as possible, with the hope of developing business and creating employment for our people. The postage reduction we appreciate, but the saving will not fill the dinner pails of many people in Canada, and I trust that the minister will not take part of those savings out of the pockets of the poorly paid postmasters. I want to read an extract from the letter of a country postmaster in my riding touching on this question. He says:

> I would like to draw your attention to the statement in the paper re two-cent postage. It is coming to the people all right, but there is no statement as to how they are going to treat your postmasters. As you know, all postmasters are paid on commission. If Mr. Robb takes one-third of their salary away, how does he expect them to carry on?

I would be glad if the Minister of Finance would keep them in mind, and do something for these poorly paid postmasters throughout the country districts.

The income tax reductions will not afford relief to very many actually requiring relief at the present time. The ordinary workman is not now paying income tax. We appreciate the reductions, but I am afraid that the changes are going to do more harm than good; certainly they will seriously operate against Canadian industry. The fundamental principle that money should only be taxed once by the same government is taken away by this amendment. When invested in Canadian corporations the income of the company is taxed nine per cent. When passed on in dividends, it is again taxed in the hands of the shareholders. This is going to make it difficult to get money to finance new enterprises in Canada. It will have the effect of forcing capital into foreign investments, capital that is badly needed for development purposes in Canada. The proposed amendment will be particularly hard on a certain class of well-to-do farmers who have put their money into co-operative enterprises, such as elevators, flour mills, seed and grain businesses. The company will pay to the government nine per cent on its income, and the dividends when distributed are taxed again in the hands of the shareholders, while the non-incorporated company or man, in opposition to the farmers' company, only pays the one tax.

Clause 11 provides that where a corporation having undistributed income redeems its shares at a premium, the premium shall be taxed as a dividend against the shareholders. Such a regulation would seemingly disrupt the entire stock market, on shares listed at over par and which are subject to call at a price

over par. These shares may be sold four or five times on the market during the year, and to determine who is to pay that tax is going to be a difficult question. Let me read an extract from the Financial Post in its issue of April 23:

"It's a fine day; let's go out and kill something," is the reputed watchword of the sporting Britisher. "It's a prosperous period; let's go out and stop some of the prosperity," is the condensed substance of the Hon. Mr. Robb's budget, delivered just after we went to press last week. Most Canadians had not realized how prosperous the country was, until Mr. Robb had, so to speak, "drawn a bead" on that prosperity.

The reductions in the income tax are admirable. That is, they would be if the revenue thus lost to the Exchequer were being made up from any proper source. But the proposal to impose a special tax on corporate profits, over and above all ordinary taxation of the company's business and of the incomes of its proprietors—a tax on the company for being a Canadian company and nothing else—is so astounding that for a long time we were unable to believe that this was what the government intended to enact.

Next we come to the question of reduction in the motor duties, which brings up the whole question of the tariff and what our policy should be as it vitally affects the whole Dominion of Canada. The problem of the tariff has been one of the most persistent and controversial in Canadian history, affecting as is does the well-being and prosperity, directly or indirectly, of every citizen. When Canada was New France the control of trade and commerce was vested in the king alone. It led to excessive favouritism and caused a tremendous amount of smuggling, while trade itself was almost at a standstill—and apparently history is repeating itself, according to the evidence that is coming out at the customs probe these days. In the early days of British rule the regulation and division of customs duties was the source of bitter quarrels between Ontario and Quebec. In 1859 Canada asserted definite control of her tariff problems when Sir Alexander J. Galt made a firm declaration of Canada's right to regulate her own tariff, and Great Britain at once acquiesced. Since confederation the tariff has been a leading political issue, with the announcement in 1878 by Sir John A. Macdonald of a National Policy "to benefit and foster agriculture, mining, manufacturing, labour and other interests of the Dominion."

With Sir John A. Macdonald's success in the elections of 1878 Canada became a protectionist country. It is significant testimony to his vision and foresight that since then no political party, until recently, has ever advocated complete free trade as the proper course of action for Canada. We have had cries of "low tariff", "commercial union" with the United States, or "reciprocity," but never "free trade" as a party slogan, but the present Progressive group from the west have in the back of their minds free trade, as expressed by some of them. As early as 1876 Sir Wilfrid Laurier declared himself a moderate protectionist, admitting that protection was a matter of necessity for a young nation in order that it might obtain the full development of its own resources. When the Liberals came to power in 1896, after eighteen weary years in the wilderness, there was no real change in the tariff except for the preference extended to Great Britain. The lapse from orthodoxy in the ill-timed reciprocity plan of 1911 was decisively rejected by the country. During the war period the only alteration in the tariff was a sur-tax imposed for special war revenue. Thus from 1878 to 1921 Canada, with the general approval of her people, was a moderately protectionist country. Since that time the altered aspect of the political scene has made the tariff problem a serious and disturbing one.

With the formation of the farmers' or Progressive party a strong group appeared in 1921—since materially diminished—advocating a new national policy which included, (1) a wide extension of the free list; (2) free trade with Great Britain within five years, and (3) a general all-round reduction of duties. That party had gathered around it the doctrinaire free traders, some labour groups which the general post-war depression had hit hard, and some farm groups. The Liberal party also began to fish in troubled waters, and in 1919 pledged themselves to tariff reforms almost as drastic as those of the Progressives. The Conservative party alone remained true to the principles of adequate protection for all—a Canada first policy.

Owing to the three party system, the electors in 1921 put the Liberals, though a minority party, in power, and since their accession the tariff has been tinkered and tampered with, the hand of the Liberals being forced by the Progressives until nothing is certain in the business world but uncertainty. Following the precedent of 1896 the Liberals increased the British preference with calamitous results to the woollen industry. In a single year 1923 Canada imported from Great Britain eleven and a half million yards of tweeds and worsteds, even more than the United States. The importation of woollen hose jumped from approximately two and three-quarter million pairs in 1921 to eight million pairs in 1923. It is significant to note here the effect that has had on the sheep industry in Canada. There are to-day from 750,000 to 1,000,000 less sheep in Canada than there were in 1921. Even such a staunch Liberal as Senator David has pro-

tested against this policy, which cuts directly at our own manufacturers. Then, with a wary eye to the farmers' vote, the duty on American agricultural machinery was reduced two and a half per cent, causing no reduction in price to the farmer but leading to an increase in imports of $3,716,000 and seriously damaging our steel industry. These reductions give new hope to the low tariff and free trade supporters, and the free trade movement has already increased in noise if not in strength. And now follow the motor reductions.

In view of these facts it is well worth our while to analyse carefully four aspects of the tariff problem:

1. What has been the growth in Canada under protection?

2. What is the relation of the present European situation to our industrial welfare?

3. What is the position of the United States?

4. Why should Canada not follow the example of Great Britain and pursue a free trade policy?

Now, as to the first problem, the development of Canada under protection. If the basic industries, agriculture, lumbering, mining and fishing have made remarkable progress, as well as the manufacturing industry; if the trade of Canada has enormously expanded, then we may reasonably draw the logical inference that protection has not hampered our advancement but has been a positive boon, keeping our raw materials for manufacture in Canada, creating new sources of wealth causing the appearance of factories backed by foreign capital, and making Canada a broader and more self-sufficient nation.

First of all let us note the remarkable development of our aggregate trade, which under protection has multiplied almost sixteen times. Our export trade climbed in 1922 to fifth place in the world as compared with tenth place in 1913. We are surpassed only by Great Britain, the United States, France and Germany. In 1922 we exported products valued at $100.63 per head of population, standing third in the world. In imports Canada stands eighth in the world. In 1879 our aggregate trade amounted to $149,488,188; in 1923 it had increased to $1,747,760,880. Our export trade with the United States in 1924 was $430,715,496, while in the same year we imported from the United States $601,295,121. Our trade with the British Empire increased, amounting to $414,163,218, of which $360,094,021 went to Great Britain in 1924. A noteworthy feature is the increased trade to the Orient, China buying $15,058,259 and Japan $25,696,621 in 1923.

The growth of agriculture in field crops between 1900 and 1923 is over five hundred per cent. Wheat production has increased three thousand per cent. The agricultural wealth of Canada in 1923 was $7,365,475,000. The agricultural revenue of Canada in 1923 was $1,342,132,000. Of that agricultural revenue Saskatchewan had $291,493,000, and Ontario $400,511,000. Ontario paid income taxes in 1923 to the amount of $25,435,613, whereas Saskatchewan paid $1,527,606. There was not much difference in the agricultural revenue, but as to taxation the large difference was paid by business, and yet our western friends would destroy it by their policy. If the Ontario farmers follow our western friends it will lead to their paying more taxes than they ever did before.

Now let me deal with other branches of industry. The lumbering industry between 1881 and 1922 increased over 300 per cent. The pulp and paper industry, a new industry fostered by our tariff which compels the most of our pulpwood to be manufactured in Canada, has a capital investment now of $381,006,000. Our fisheries, the finest in the world other than those of the North sea, have an annual production of $41,800,000 and have increased 600 per cent. The mining industry, in the period from 1881 to 1923, increased 210 per cent, and has a capital investment of $493,694,000. Our railways have increased in mileage 1,450 per cent. In the foregoing statistics I have covered the basic industries of agriculture, lumbering, mining and fishing.

Now let me come to manufacturing, which our friends from the west decry so much. The following figures will indicate the growth of this industry in the period from 1881 to 1921 inclusive:

	Employees	Capital	Production
1881..	254,894	$ 164,957,423	$ 309,731,867
1921..	517,141	3,210,709,288	2,747,926,675

In 1921 our exports to all countries amounted to $1,189,163,701. In 1924 our exports to all countries were $1,045,141,056, being less after the tinkering had taken place with the tariff. These figures bear silent and sure testimony to the increase in prosperity of Canada under a system of moderate protection. No branch of our life has failed to share in increased wealth, while on the other hand manufacturers have not excessively prospered at the expense of others. The fact that the average number of employees in a Canadian factory is less than twenty shows that protection, as is so often charged, cannot have fostered monopolies and trusts to any appreciable degree, if at all. Furthermore, the tariff has been far from hampering the export of our primary

sources of wealth, especially in agriculture, which cannot be entirely absorbed here. To-day Canada is the leading wheat exporting nation of the world, and our agricultural produce accounted for 55 per cent of our exports in 1923. Farmers are not so seriously off, if protected as they should be.

The problem of markets is acute in Canada to-day for the reason that this country has not done what other countries have done. The products of Canadian agriculture are without profitable markets because while other countries have taken measures for their own protection this country has not done so. While the markets of countries competing with Canada in agricultural production have been closed against the Canadian farmer the market of Canada has been opened still wider to those same competitors. This country, whose principal industry is agriculture, is importing agricultural and vegetable products for consumption at the rate of close on two hundred million dollars a year, because of our inadequate protection in that regard. Canada is in no position to make terms with the United States if relief from the American tariff barrier should be sought by this country. The United States enjoys all the advantages of the Canadian market now and has no need to make concessions. We have nothing with which to bargain. If our own markets were protected as is the American market we would have something with which to deal, something the Americans did not get for nothing. The farmer in this country to-day is competing with his fellow farmer in other countries under conditions of absolute unfairness. That is why we say that the first tariffs that should be increased are the tariffs on farm products, to help the farmers.

The importance of manufactures in our national well-being is strikingly indicated by our population figures. Since 1891 our urban population has steadily increased until it is now nearly half of the total population. In 1921, for the first time in our history, two cities, Toronto and Montreal, had a population of over 500,000. In Ontario as a whole 58 per cent of the population is urban, an increase of 20 per cent in thirty years. This increase in city and town is due to a variety of causes which would take too long here to analyse, but we may note that it makes industry an even more vital factor in Canada. Apart from the actual number of factory employees, it is obvious that in any city or town the wholesale and retail merchants, the banks, the professions, the real estate agents the municipality itself, are largely dependent upon the factory as the dynamo of their prosperity. If the factory is ruined by any trade reverse, the city and town must suffer the same fate. Hence any ill-timed and thoughtless tariff is a matter of vital concern to the city or town dweller. He is as directly interested in the tariff as the manufacturer, and this is not a time to endanger the well-being of nearly half our population.

Moreover, the farmer too has many interests in common with the city and town dweller. In 1920, in eastern Canada, 80 per cent of Canadian produce was consumed in Canada, of which a large proportion was used by the city, town and village population. Decrease the buying power of the city and the farmer must inevitably suffer. Mouths are markets and the more mouths we have to feed the better the market for the farmer. Can the farmer afford to destroy the goose that lays the golden egg? The welfare of city town and country are inextricably mingled; therefore the welfare of all depends upon the tariff.

At the present time some 41,000 factories employ nearly 600,000 workers, upon whom directly depend nearly 2,000,000 people. In 1921 the manufactures of Canada had a capital investment of $3,210,707,288 and paid out in wages $581,402,385. These factories produced goods valued at $2,747,926,675 and contributed nearly 40 per cent of the nation's exports. Can Canada afford to jeopardize the fate of these people and reduce her capital investments and national trade? It is a condition, not a theory, which confronts us, and the ardent free trader would do well to ponder over these figures. He may ask one question, however, that needs consideration. "Your figures," he will say, "show the extraordinary increase in importance and value of manufactures. Surely forty-five years of protection has given our industries time enough to stand firmly on their own feet and do without protection. Let them face the world on their own merits as do the British manufacturers." Now this statement implies that Canada has given in the past heavy and even excessive protection. But what are the facts? As we have seen, the tariff was unchanged from 1907 to 1920 except for war taxes. The average rate of duty on all dutiable importations was 22½ per cent, and a considerable quantity of goods came in duty free. Since 1921 the tariff has been steadily reduced. Can that be called high protection? American, French, Italian and German manufactures would say, no. It is unsafe to lower the protection afforded to our industries, in view of the post-war factors, the European situation, the position of the United States

and the financial condition of Canada. What the country will need for years to come is adequate protection based upon a scientific examination of our natural resources and world trade, and calculated to further the interests of agriculture and industry, labour and business.

I maintain that that is exactly what should have been done in connection with the motor industry in this country. It is a highly developed industry upon which a great number of people depend for a living and in which a great amount of capital is invested, and before any move is taken that will put an industry of that kind in jeopardy some scientific examination should have taken place, especially in view of the statement in the Speech from the Throne which reads:

> My ministers believe that in the interest of industrial development every effort should be made to eliminate the element of uncertainty with respect to tariff changes; that changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the ministry with respect thereto. A tariff advisory board will accordingly be appointed forthwith.

An advisory tariff board has already been appointed. Drastic cuts have been made in the tariff on automobiles, but to what extent that will affect that industry, or those who are dependent upon it nobody can tell at the present time. It seems to me, in view of that statement in the Speech from the Throne, in view of the fact that the dealers all over this country will be loaded up with cars upon which they must take a loss, that they have a good claim in equity to come back to the government and ask to be recouped. In the present estimates there is an item of $1,690,000 for the purpose of refunding to the dealers the luxury tax paid by them on automobiles remaining in their hands and unsold when the tax was repealed in December, 1920. If those dealers are entitled to a refund, surely they have a much stronger case now in view of the statement in the Speech from the Throne and the pronouncement made by the Prime Minister at Richmond Hill in September last.

The economic depression of 1921-24 has slowly brought home to every Canadian the influence of European conditions upon Canadian prosperity. A disorganized, war-torn and debt-laden Europe after the war reduced its food consumption to seventy per cent of pre-war amounts, to the great detriment of agricultural prices the world over. Hence the difficulties of the Canadian west. Apart from war losses the plunge into bankruptcy or near bankruptcy of Russia, Poland, Germany, Austria, Hungary and the Balkans completely disorganized European trade, with the result that twenty-five per cent of the world's markets have been "frozen" for nearly six years. This situation has created for Britain an unemployment problem which four governments have tried in vain to remedy. Every industrial country in Europe at the close of the war was faced by the twin spectres of depreciating currency and a labour market flooded with demobilized soldiers, and therefore increased the tariff to safeguard the home market and protect its own people. We did the very opposite, with the result that we have been going through some very difficult times.

On some goods Italy's tariff after the war was raised nearly 300 per cent; France increased her tariff from 10 to 300 per cent; Spain, Switzerland, Roumania and Czecho-Slovakia all pursued a similar course. Even Great Britain maintained the McKenna duties of 33⅓ per cent on certain goods. Import or customs duties in 1920 in Great Britain amounted to $149,360,000, and yet she is called a free trade country. Those duties lasted until August, 1924, when they were repealed in spite of stormy protests from industries; they have since been partly re-established. In South America there has been a steady increase in duty ranging from 17 to 46 per cent, while Japan in the Far East has increased her tariff.

Just at this point I want to read a little extract from the budget speech of Mr. Winston Churchill, Chancellor of the Exchequer, as follows:

> On the general fiscal question, he asserted that restoration of imperial preference had been advantageous in home consumption of empire sugar, wines, raisins and tobacco. The duties on silk and artificial silk had been so successful he was sure any suggestion to repeal them would be received by the trade with dismay. The manufacturers' profits had not been reduced and the prices to the public had not been increased; therefore there was no doubt the customs duties had been paid by the foreigner. In short, the duty had raised over £6,000,000 and had worked with unexpected smoothness.

That is a case where you have the market protected and the manufacturer helped at no expense at all to the consumer. Let us see the result in Australia, which has recently embarked upon a high tariff policy. Writing in the Sydney Daily Telegraph Premier Bruce said:

> We can contemplate the financial and commercial outlook of Australia with well founded confidence and a healthy optimism.
>
> It is stated that the changes made last August in the Australian customs tariff have already had a profound effect in stimulating local manufacture, while they have certainly tended to increase revenues. In

introducing the new tariff schedule, which gave substantial increases of duty on more than 50 items, Mr. Pratten, Minister for Trade and Customs, stated that within two years from 25,000 to 30,000 additional employees would be required for industrial development resulting from the new duties. Assuming that five persons were directly and indirectly dependent upon each wage-earner, from 100,000 to 150,000 persons would be advantaged. The new schedule reflected the desire of the Commonwealth government to assist industries which could be developed in Australia.

Meanwhile, the position of the primary producers of Australia is being steadily improved, not through tariff reductions which would be detrimental to industry, but through the introduction of better and more efficient marketing methods which tend to stabilize prices on a more profitable basis. A federal Department of Markets has been established, and according to the Prime Minister, the work of the new department "is giving satisfactory results in the orderly marketing of our primary products. The increasing production from our industries and the expansion of our overseas trade during the last decade is a wonderful record of achievement.

From many points of view textile and clothing factories provide the most interesting section of Australia's manufacturing industries. The doctrine that it has been an economic waste to send Australian wool to other countries and import manufactured goods made from that wool, instead of using the raw material locally and providing employment for a large number of Australians, has appealed to an increasing extent to the public mind of the commonwealth as the years have advanced. This point of view found expression in the recent changes made in the tariff, which have already had an important influence in improving the prospect of many mills and factories, and of stimulating greatly increased manufacture.

The effect of these tariff changes, plus trade depression and the reduced buying power of the farmer, has been very serious for the Canadian manufacturer. Between 1920 and 1922 the number of employees decreased from 685,349 to 517,144. Since then there has been some increase, but even now there are only 89 men employed in 1924 to 100 in 1920.

It is true that the tide of depression has already receded with Europe returning to normal, but competition for trade will be far heavier than in pre-war days. Belgium is back to pre-war production and hopes to expand. She has taken our glass trade. France has restored her devastated areas with the newest and most efficient equipment and has acquired the iron ores of Alsace-Lorraine and the coal of the Saar Valley. She is today the leading iron and coal country of Europe; she is almost entirely self-sufficient and potentially the richest country in Europe. Her greatest industrial problem is to secure sufficient labour without being swamped by foreigners. Italy has undergone a drastic purging and reorganization, will balance her budget in 1926 and is planning an intensive industrial campaign in order to absorb the labour of the large number of Italians now barred from America. The German manufacturer, at ridiculously low cost, was able to wipe out his mortgages when the mark declined, and he modernized his plant. Concentration of industry has proceeded, then, by leaps and bounds. The German railways are now the best in Europe. Under the Dawes plan, accepted by the great powers, Germany will be paying heavy reparation sums for at least a decade to come. Fundamentally those reparations must be paid with goods, which means increased German production and increased export trade. As Herr Stresemann says:

The war caused the hot-house growth of manufactures —competition has grown much keener in the international market.

Austria is almost back to efficiency and is regaining her hold on Balkan trade, while Czechoslovakia is the best governed and least unharmed industrial country in Europe. Even Poland is settling down to peaceful ways. Mr Strachey, of the London Spectator, says:

Europe is at bottom in a thoroughly sound position for trade revival. It is full of skilful, eager workers, managers and traders of all sorts. It is also full of well-equipped factories and it has develop the scientific use of the various forms of power to a high degree of perfection.

In the light of these facts it can be seen that the Canadian manufacturer may scarcely hope to make any appreciable gain in export trade for some time to come. In fact, he will do well to retain his increased share gained during war time when Europe could not compete with him. He has certain prospects in the Orient but even there the German is fast becoming a powerful rival. One is more and more forced to the belief that the home market must be the great mainstay of the Canadian manufacturer, and the eastern farmer for years to come. If that market is destroyed for him by a low tariff or free trade his position will be exceedingly hazardous. We must see to it that such a thing does not take place.

The second great factor in our tariff system is the United States, the colossus of the industrial world, with an area of unbounded fertility, of every variety of climate, with almost every resource for manufacturing except rubber and some of the minor metals and with a protection system established 135 years ago. The war gave her the supreme chance to seize world leadership in trade. She turned from a debtor to a creditor nation; she now possesses half of the world's gold and her wealth equals that of any other five nations combined. Her wealth was 350 billions in 1921, sixteen times our own. She possesses 45 per cent of the world's

iron and steel, 50 per cent of the coal, 60 per cent of the copper and cotton, 70 per cent of the oil. Through the war her manufacturing plants outgrew her home market and she is to-day the greatest exporting nation in the world. In 1922 her exportable surplus was 653 millions, an increase in nine years of 33⅓ per cent.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 25, for the relief of Elizabeth Gertrude Orr.—Mr. Lennox.

Bill No. 26, for the relief of Melville James Andrews.—Mr. Duff.

Bill No. 27, for the relief of Harry Reginald Oddy.—Mr. Jacobs.

Bill No. 28, for the relief of Mildred Roxie Horner.—Mr. Lennox.

Bill No. 29, for the relief of Frances Muriel Burnet.—Mr. Geary.

Bill No. 30, for the relief of Ada Toms.—Mr. McClenaghan.

Bill No. 31, for the relief of Vera Sanderson.—Mr. McClenaghan.

Bill No. 32, for the relief of Noel Leslie Deuxbury.—Mr. Bell (Hamilton).

Bill No. 33, for the relief of Lillian May O'Reilly.—Mr. Arthurs.

Bill No. 34, for the relief of Jean Victoria Dillane.—Mr. Lennox.

Bill No. 35, for the relief of Ethel Alberta Barker.—Mr. Arthurs.

Bill No. 36, for the relief of Annie Hazel McCausland.—Mr. Jacobs.

Bill No. 37, for the relief of Sterling LeRoy Spicer.—Mr. McClenaghan.

Bill No. 38, for the relief of Amy Bell Corney.—Mr. Bell (Hamilton).

Bill No. 39, for the relief of David Frank Crosier.—Mr. Bell (Hamilton).

Bill No. 40, for the relief of Ethel Gildea Nye Brown.—Mr. Duff.

Bill No. 41, for the relief of Edward Thomas Faragher.—Mr. Peck.

Bill No. 42, for the relief of Bertha Viola Lidkea.—Mr. McClenaghan.

Bill No. 43, for the relief of Mike Ayoub (otherwise known as Michael Ayoub).—Mr. McClenaghan.

Bill No. 44, for the relief of Alice Marion McGinley.—Mr. Garland (Carleton).

Bill No. 45, for the relief of Harold Edgar Perinchief.—Mr. Garland (Carleton).

Bill No. 46, for the relief of Hendel Tuerner Lubrinetsky.—Mr. McClenaghan.

Bill No. 47, for the relief of Paul Hugh Turnbull.—Mr. Garland (Carleton).

Bill No. 48, for the relief of Helen Elby Pollington.—Mr. Mewburn.

Bill No. 49, for the relief of Alexander Stewart.—Mr. Harris.

Bill No. 50, for the relief of William Melville Moore.—Mr. Casselman.

Bill No. 51, for the relief of John Samuel Milligan.—Mr. Anderson (Toronto).

Bill No. 52, for the relief of Marion Richardson.—Mr. Jacobs.

Bill No. 53, for the relief of Isadore Boadner.—Mr. Jacobs.

Bill No. 54, for the relief of William Albert Thomas.—Mr. Casselman.

Bill No. 55, for the relief of Gertrude Isabel Clark.—Mr. Church.

Bill No. 56, for the relief of Helen Seymour O'Connor.—Mr. Casselman.

Bill No. 57, for the relief of Yetta Selma Trachsell.—Mr. Wright.

Bill No. 58, for the relief of Alexander Dewar.—Mr. McClenaghan.

Bill No. 59, for the relief of Florence Burrell.—Mr. Jacobs.

Bill No. 60, for the relief of Edith Marion Byam.—Mr. Lennox.

Bill No. 61, for the relief of Charles Davidson.—Mr. Jacobs.

Bill No. 62, for the relief of Doris Selina Irvin.—Mr. Jacobs.

Bill No. 63, for the relief of Frank John Davis.—Mr. McClenaghan.

Bill No. 64, for the relief of John Norman Smith McMurray.—Mr. Charters.

Bill No. 65, for the relief of Archie Claire McIntyre.—Mr. Duff.

Bill No. 66, for the relief of Mabel Elizabeth Harcourt.—Mr. Bell (Hamilton).

Bill No. 67, for the relief of Louise Gordon Pook.—Mr. Bell (St. Antoine).

Bill No. 68, for the relief of Ezillah Harriet Cole.—Mr. Stinson.

Bill No. 69, for the relief of Gertrude Burnside.—Mr. Kay.

Bill No. 70, for the relief of Cora Mae Murray.—Mr. Goodison.

Bill No. 71, for the relief of Janet Thornhill Gorrie.—Mr. Anderson (Toronto).

Bill No. 72, for the relief of Lillian DuBord Bulloch.—Mr. Jacobs.

Bill No. 73, for the relief of Henrietta Schierholtz.—Mr. McClenaghan.

Bill No. 74, for the relief of Maude Elizabeth Gilroy.—Mr. McClenaghan.

Bill No. 75, for the relief of Richard Howard Buckley.—Mr. McClenaghan.

Bill No. 76, for the relief of William George Darlington.—Mr. McClenaghan.

Bill No. 77, for the relief of Arthur Watson.—Mr. McClenaghan.

Bill No. 78, for the relief of Frances Marjorie Warren.—Mr. McClenaghan.

Bill No. 79, for the relief of Charles Douglas Palmer.—Mr. McClenaghan.

Bill No. 80, for the relief of Isobel Lamontagne.—Mr. McClenaghan.

Bill No. 81, for the relief of Jane Johnston Mitchell Wells.—Mr. Geary.

Bill No. 82, for the relief of Jeremiah Gibbs.—Mr. Mewburn.

Bill No. 83, for the relief of Caroline Elizabeth Risbridger.—Mr. Mewburn.

Bill No. 84, for the relief of Cassie Woodley.—Mr. Church.

Bill No. 85, for the relief of Isabella Freeman.—Mr. Harris.

Bill No. 86, for the relief of George Guthrie.—Mr. Stewart (Leeds).

Bill No. 87, for the relief of Lily Stead.—Mr. Mewburn.

Bill No. 88, for the relief of Alice Grace Hopkins.—Mr. Mewburn.

Bill No. 89, for the relief of Vera Catherine Searle.—Mr. Ladner.

Bill No. 90, for the relief of Sidney Charles Frost.—Mr. McClenaghan.

Mr. DEPUTY SPEAKER: The motion is that the foregoing bills be read a third time. Is it the pleasure of the House to adopt the motion?

Mr. POULIOT: Mr. Speaker, are all these bills being carried in anticipation of June weddings?

Mr. BEAUBIEN: Carried on division, Mr. Speaker.

Motion agreed to and bills read the third time.

SECOND READING

Bill No. 92, respecting the Grand Orange Lodge of British America.—Mr. Hocken.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed the debate on the motion of Hon. J. A. Robb (Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

[Mr. Stinson.]

Mr. STINSON: Mr. Speaker, when the House rose at six o'clock I was pointing out some of the natural difficulties we have to encounter owing to a decreased tariff. Geographically, Canada and the United States are one—the Maritime provinces looking to the New England states, British Columbia belonging to the Pacific, Ontario and Quebec sharing the Great Lakes system with the eastern states, and western Canada having the natural frontier. The resulting "pull" of the United States upon us, offering as she does superior wages and opportunities has been tremendous. Between 1921 and 1925 we lost in population to the United States some 500,000 people. Obviously with her wealth of population and her industrial machine American industry can in nearly every instance produce at a lower cost than can Canadian industry, and can offer a greater variety with her mass production. The effect is to be seen in our adverse trade balances with the United States. In 1901 our imports from the United States were $107,377,906. In the same year our exports to the United States were $67,983,673. Coming to the year 1923 we find that our imports from the United States were $540,917,432 and our exports to that country $369,080,218. In 1923 our imports from the United States formed 67 per cent of our total imports. The total import amounted to $60 per head of our population, while our exports to the United States amounted to $3.25 per head of her population.

The greater part of our imports from the United States are of manufactured articles, and the need of a tariff against her is obvious if we are to have any manufactures of importance and to become at all self-sufficient. Since the war the United States has seen fit to increase her tariff against us, especially against our farm products, in order to protect her farmers. If a wealthy nation thinks protection advisable, we should have even more reason for adopting a similar policy. Moreover, protection compels the American manufacturer to establish branch factories in Canada, in order to share our trade. They employ Canadian workmen, and make investments in Canada which are of great value. Since 1901, six hundred and eleven American factories have come to Canada on account of protection, and nearly two and three-quarter billion dollars are invested in Canada. These factories represent 61 per cent of our motor industry, 40 per cent of our electrical apparatus, meat packing, rubber, brass and copper, condensed milk and petroleum industries. Without our tariff would these industries have come to Canada? I say no. Without increased protection shall we be able to attract

new firms or can we withstand American increased wealth and efficiency? Again I say no. The lower our tariff the fewer workmen we employ and the more of our sons we lose to the United States—a loss which we cannot replace and which we can least afford. The exodus from Canada during the last few years, especially the younger men, has been a great drain upon this country. We are losing some of our best brains to the United States, and this should not be allowed to take place.

Lastly our serious financial position makes it dangerous for us to run any risk of financial depression in industry through a low tariff. During the war we had to take over control of the Canadian National railways with 22,000 miles of track. These railways are built in excess of our present needs, they are heavily capitalized and have heavy interest charges to meet. Until 1923 they failed to meet operating expenses apart from interest charges. The annual fixed charges are nearly $70,000,000, if we include interest on loans and allowances made by the government. Despite the skill and energy of Sir Henry Thornton, we must face the prospect of a heavy burden in our railway system for years to come. If our industries are ruined by a low tariff the railways will be among the first to suffer, and their losses are the country's losses. If the industry of Ontario and Quebec be destroyed, the western freight rates must of necessity increase. If you take the report of the Canadian National Railway, you will find that the line is divided into three divisions, the eastern regional division, the central division and the western division, and of the three divisions the one that is making the profit is the central division, where you have the industrial population and industrial development. If that industrial development is ruined it means that the freight rates to the west must of necessity be increased. I acknowledge to our western friends that they cannot profit from protection to the same extent as we in the central provinces can. That being the case, so far as I am personally concerned I am willing to make amends to them in the matter of freight rates sufficient to take care of any additional amount that they lose by reason of protection.

The war has given Canada an increased debt of $2,453,776,869 as compared with $338,996,850 in 1914. The interest on our debt has increased from $14,687,796 to $136,007,667. Nearly two billion of that sum is war debt—an unproductive debt which added nothing to our resources. Furthermore we have not as yet reduced that debt one iota. On the contrary, when the railway financing is included, it has increased. So long as that debt remains such a heavy charge, economy in government, coupled with increased production, is essential if we are to build up a surplus revenue. Our protective tariff represents a revenue of nearly $130,000,000. Reduce the tariff and that revenue falls. Can Canada afford that? Does the farmer want to pay the amount of tariff reduction in direct taxes? Our taxation is heavy enough, in all conscience—$43.15 per head as compared to $22.41 in 1913, or $5.88 in 1871. So far in discussing the tariff issue we have noted the progress made under protection in every branch of production, the growing dependence upon manufactures of our Canadian people, the increased competition in world trade caused by post-war conditions in Europe and America and the special need for stability, sound production and increasing revenue in order to meet our heavy burden of national debt. In view of these facts it is difficult to see how a low tariff is wise or justifiable.

There is one argument of the free trader, however, that has not yet been discussed. That is the argument by comparison, in which the theory is advanced that Great Britain has prospered as a free trade country and that Canada should do the same if she followed her example. By analysis of Britain's position that argument may be shattered. First of all, Britain only became a free trade country after centuries of protection during which she laid the foundation of her commercial and industrial strength. In the reign of Edward III, in the middle of the fifteenth century, England began to foster the weaving industry, to limit importation of goods and to discourage exports of raw materials. This policy was steadily pursued especially in Tudor times. Navigation acts in the seventeenth century fostered colonial trade and British shipping. At the close of the seventeenth century 1,200 imports were taxed. In the late eighteenth century, however, a series of inventions, coupled with abundant iron and coal and a long commercial experience, caused the famous industrial revolution which landed Britain on her career as the world's workshop. Europe was torn by wars and political unrest, the United States was a young struggling nation and Britain thus had the start by a half century. As Cobden and Bright boasted, Britain feared no competition at home and could undersell anybody abroad. Under these conditions Britain could well afford to relax protection, especially excessive duties on raw materials and food, since at that time agriculture was protected by the Corn Laws of 1815. Those laws particularly

affected the workers who were poorly paid and who were forced to pay high prices for food, and the manufacturer who wanted cheap raw materials, cheap food for his men and an increased exchange of manufactures from England for food in other countries. Then arose the campaign led by the middle class manufacturers for the repeal of the Corn Laws. Subsequent to 1820 numerous duties were reduced; the Corn Laws disappeared between 1846 and 1860, and by 1860 virtual free trade existed. Hon. members will note that the transformation was spread over a period of forty years and took place only when Great Britain had a position of unsurpassed superiority.

The results of the movement are interesting. The repeal of the Corn Laws led to a concentration on manufacturing and a one-sided development of national life that made Britain dependent upon the world for seventy per cent of her food supplies. Her agricultural population fell from 49.8 per cent in 1846 to 21.9 per cent in 1913. In spite of such protection methods as her embargo upon Canadian cattle, only recently lifted, agriculture is one of the greatest problems of British life.

In the advancement of industry, while free trade has been her tariff policy, England has helped industry by such methods as the Trade Facilities Act, which affords ample capital for industrial concerns—surely an indirect form of protection; by discrimination in insurance risks against Canadian shipping, and other methods, and latterly by the Safeguarding of Industries Act.

To-day many in Britain seriously doubt whether she can afford to maintain free trade as her tariff policy. All parties are worried over British trade. The London Nation has opened its columns for a discussion of the conditions of British trade, while Labour admits that it cannot be a conjurer and sweep away unemployment at will. To-day Britain pays annually on her debt to United States a sum almost equal to her pre-war budget. She is beginning to wonder whether her present tariff policy is the safest one. She no longer leads the world in industry, being surpassed by the United States, while Germany and France are crowding on her heels. Even as matters stand she has an advantage over us in having no country such as the United States as a next-door neighbour and geographical twin.

We cannot, then, like Britain, accept free trade as our policy, because we have not the foundations of wealth and supremacy that Britain possessed when she accepted free trade; because our geographical position is vastly different and because economic conditions have totally changed since that time. Viewing the matter from every angle we must admit that Canada must retain her policy of protection, that she cannot afford a low tariff as economic conditions are at present, and that the present uncertainty must be ended if Canadian industry and Canada itself are to prosper.

I read this afternoon a memorandum from the Premier of Australia showing conditions that had operated to their benefit by reason of their adopting a policy of manufacturing their wool in Australia rather than of shipping it abroad. Following that up it seems to me we should take a leaf out of her book in regard to our wheat. At the present time we are building up on Canadian wheat one of the greatest cities in the United States. The greatest milling centre in the world is Buffalo, and it has been built up there in the last few years largely upon Canadian wheat. Last year there was milled in the city of Buffalo something like 7,000,000 barrels of flour, while there was milled in Canada from the Atlantic to the Pacific some 19,000,000 barrels. They have adopted a system of milling in bond; in other words Canadian wheat can be shipped to Buffalo, milled in bond and sent out to compete in the world market with our Canadian flour. The result is that the United States is getting the direct benefit of that, is building up that wonderful city and at the same time taking away from us transportation charges that our railways need. If there was an export duty on Canadian wheat forcing the milling to take place in Canada, it would not in my opinion decrease or curtail our market, but it would add that further industry to Canada for both our labour and our railways.

This matter was referred to the royal inquiry commission and they made a report on it in which they stated that it was a matter of great importance not only to the millers of Canada but to the farmers of the country generally. I am going to read a short extract from the report as was made at that time:

> At the present time, the duty on Canadian wheat—entering the United States—is 42 cents per bushel. On wheat flour, crushed or cracked wheat, and similar wheat products, the duty is $1.04 per hundred pounds. These duties are practically prohibitive in their effect. They prevent Canadian wheat or wheat products having access to the American domestic market. On the other hand under the provisions governing milling-in-bond and drawbacks, it is quite possible for the American millers to obtain Canadian wheat virtually free of duty to grind for export. Considerable quantities of Canadian wheat are ground in American mills, and exported abroad under these conditions. This American flour ground in American mills, but the product of Cana-

dian wheat, enters into competition with the output of the Canadian flour mills. The benefits of manufacture are lost to Canada, while at the same time, the general benefits of reciprocal free trade in wheat and wheat flour do not exist. It was suggested to us that in view of these conditions, an export duty should be levied at the same rate as in the American tariff, upon Canadian wheat and wheat products entering the United States. The American tariff having already closed effectively the domestic market to the Canadian farmers, the result of such a levy would be to eliminate the export of American flour ground from Canadian wheat, and to transfer this market to the Canadian millers.

Now let us see for a moment how this milling in bond has been increasing. In 1921-22 the quantity of Canadian wheat milled in bond in United States was 6,172,837 bushels. In 1922-23 this had increased to 9,280,787 bushels, and in 1923-24 it had increased to 13,904,837 bushels. It will be noted that of the crop of 1923-24 the total reached the large quantity of over 13,900,000 bushels. The flour product of this quantity of wheat would be in excess of 3,000,000 barrels while the offal by-product would be 111,000 tons. These 3,000,000 barrels of flour made from straight Canadian wheat was sold abroad under United States trade names in direct competition with the product of Canadian mills. In the same twelve months Canada exported to countries other than the United States 11,973,916 barrels of flour.

Out of a total demand of 15,000,000 barrels of flour of Canadian quality, United States millers supplied no less than 20 per cent. With free Canadian wheat for this export trade, United States millers have certain advantages in rates and position which will always enable them to sell in competition with Canadian mills. Had the Canadian mills been in the competitive position natural and proper in view of all the conditions, then the extra 3,000,000 barrels should have been ground in Canadian mills and would have represented an increase of 25 per cent in export output. Now what does this mean to Canada? The manufacturer's costs of converting wheat into flour, including labour, selling expense and overhead, but not including the cost of bags or other containers, may be estimated at approximately sixty-five cents per barrel. At this rate the costs on 3,000,000 barrels would be $1,950,000. This amount was actually paid out in the United States in the year instead of being distributed to labour and capital in Canada. If Canada had milled this additional quantity Canadian transportation companies would have moved 14,000,000 bushels of wheat to Canadian mills and would have moved 3,000,000 barrels of flour and 111,000 tons of offal from Canadian mills, whereas this wheat actually moved direct by water from Fort William and Port Arthur to United States ports, chiefly in United States lake vessels, and no part of the product afterwards used Canadian routes. This meant that the loss to Canadian transportation companies on the movement of the wheat to the mills and the flour to the seaboard was in excess of $1,500,000. In addition to that, on the 111,000 tons of bran and shorts the additional earnings of Canadian transportation companies would have been 31½ cents per 100 pounds, or a total of $679,300, if distributed for consumption in Canada, or a substantial portion of $550,000 if exported.

This movement of wheat to the United States is directly affecting a number of our own towns and cities in the matter of railway transportation. Take the town of Lindsay, which is a divisional centre on the Canadian National Railways. The wheat moved on the lakes and on Georgian bay to Midland passes through the towns of Lindsay and Belleville on its way to seaboard. But since this great milling industry has been established at Buffalo there has been a gradual falling off in the movement of wheat through Georgian bay to seaboard, with the result that the railwaymen earned $200,000 less in wages in 1925 than in 1921 in the town of Lindsay. I am not attributing this fact entirely to the difference in the movement of grain, because certain other factors have to be taken into account; but in large measure it is due to the fact that the grain is going to Buffalo rather than through our own ports. It is time therefore that action were taken to remedy this condition of things. The grain should go through Canadian and not through American ports.

There is something else that must be considered. Canada is losing all the advantage that would accrue from the sale of this flour under Canadian trade names. It is exported as United States domestic flour, thus helping the United States to retain its reputation in the world's markets for high grade flour, to the benefit, whether blended or not, of all the domestic produce of that country. The effect on Canada is unfavourable. When selling, the United States miller may represent the flour as the product of Canadian wheat, or he may not. If he does not, the impression is created that perfect substitutes for Canadian wheat and flour can be found in another country, and that is absolutely to our detriment. The magnitude and importance of the Canadian milling industry are clearly shown by the official returns published in the latest issue of the Canada Year Book for the year 1922. The capital employed in 434 flour mills was

9 p.m.

$65,928,521 and salaries and wages paid during the year totalled $7,083,398. The purchasing power of industry in the year, as represented by the amount paid out for material and supplies, was the very large sum of $125,312,923, and the value of the products, $151,237,671. The net difference between the latter two items, $25,924,748, represented the values created in Canada by the industry.

I realize that the prosperity of the Canadian farmer is fundamental to the development and success of the milling industry and wish it to be clearly understood that in advocating this duty I do so in the belief, not only that it would not depress prices, or restrict opportunities of sale for producers, but that on the other hand it would strengthen the position of Canadian products with advantage to every Canadian interest. If this flour were consumed in the United States, as it is not, that would mean that a market for Canadian wheat, which otherwise has been very limited and uncertain, would be enlarged by the use of wheat in this way. But under existing conditions no increase in the demand for Canadian wheat is brought about. If there is no increase in consumptive demand there can be no effect on the basis of prices. Indeed, the United States miller cannot be as substantial a support to the market as the Canadian miller, for the former can drop out of the business the moment he finds it equally profitable to grind United States wheat. The greater part of the milling in bond is done at Buffalo, but at any lake Erie port Canadian wheat can be laid down from Fort William-Port Arthur at a freight rate lower on the average than that to any Canadian port on the lakes. A mill at Buffalo pays lower transportation costs on Canadian wheat than does any eastern Canadian mill. It is by special laws and regulations of the government of the United States that the American miller has been put in a position to do this business. It is the policy of that government to give all the employment possible to United States labour and capital in its milling industry, even when the main product is not required in, and is even denied access to, the domestic market. As imports of Canadian wheat into the United States for actual consumption in that country are, under the present tariff, absolutely negligible and merely permit the export of a little more United States wheat or flour, in competition with Canadian products abroad, the general application of an export duty would not in such a case be open to objection on the ground that it might restrict the market for Canadian products.

[Mr. Stinson.]

I am deeply interested in Canada. I am interested in everything that will make Canada a nation worthy of her great natural resources, and I will support legislation that will bring that about, no matter what political party may introduce it. I should like to see Canada develop in such a way that we might have a job for every man at a reasonable wage so that he could maintain his home, educate his family and send them out fully equipped to take their place in the world. We want a Canada where the young Canadian can use his education and ability for the benefit of the land of his birth, and thus free his father and mother from the anguish of seeing him expatriate himself to a foreign country to make a living. We want a Canada-first policy, and that can be built up only upon a reasonable tariff system based upon scientific examination. That must be the settled policy of Canada. Tariff stability based upon protection is the greatest confidence builder known to business. It helps the farmer, the labourer, the manuacturer, the retailer; it assists and promotes every branch of our national life.

Mr. CHAS. B. HOWARD (Sherbrooke): I rise to give my unqualified support to what is perhaps the most popular all-round budget that has ever been brought down in the Canadian parliament. I join with my leader in thankfulness that Canada which suffered so much during the Great war is one of the first of the allied countries to recover from the after-war depression. I also join with my friends on the other side of the House in "thanking Providence for having been so good to us". At the same time I like to think of the old maxim which was mentioned by my good friend from Lake St. John (Mr. Sylvestre) that "God helps those who help themselves".

Canada's great and increasing prosperity has been accomplished because all classes; the rich and the poor, the mighty and the weak, the capitalist and the labourer, regardless of race or religion, have joined together in this commendable work. The common people have placed their shoulders to the wheel, and guided by a sane government, have accomplished world-renowned achievements! I was pleased the other day to listen to the speech of one of the oldest members of this House, my hon. friend from Bonaventure (Mr. Marcil), who did not hesitate to say that the present budget was the finest of any that he had listened to during his twenty-seven years as a member of this House. Twenty-seven years takes us back to the days when Sir Wilfrid

Laurier was in power and when the national debt was at its minimum, and consequently taxation was light and any increase of taxes did not affect the people so directly as it would at the present time, particularly as any increase then naturally followed the steady development of the country. But during the ten years from 1911 to 1921, our national debt was increased by $2,000,000,000, as we say in French; parce qu'ils avaient tous les mains dans le plat; and therefore our rejoicing to-day is all the greater that the Minister of Finance has been able to bring down a budget containing a substantial reduction of taxation. I am pleased to be a member of the House in this fifteenth parliament because I believe that in the years to come this budget will be regarded as one of the greatest achievements in our political history and will be looked back upon as one of the milestones in Canadian development.

I pick up the local paper from my home town and on the front page in big headlines I read this:

British budget is presented by the Hon. Churchill. General trade improving, but basic industries depressed.

I present this by way of comparison after listening to my hon. friend on the other side (Mr. Stinson) who stated in his speech that the basic industries of Canada were improving. The next statement is this:

Under budget as presented existing rate of taxation will be continued for 1926-27.

England, the Mother of Parliaments, and her taxation rate for 1926-27 is to be continued on the same basis! Contrast this with the budget of Canada—notre pays—substantially reducing taxation so soon after the war. There is no question about our increasing prosperity. Money in the pockets of the people will show that business is improving. But in case my statement should be doubted, let me cite two items which it has been a great pleasure for me to read recently. One is:

The Canadian Pacific Railway March net best since 1918. Gross up $1,300,000 over March 1925, while expenses increased only $623,306. Good first quarter. Net $2,675,000 above that shown in first quarter of last year.

In other words, the net for the first quarter of the year of that transportation system of which we are all so justly proud shows an increase of $2,675,000. Then we are also pleased that the Canadian National Railways—our own system—for the month of March comes out with these figures:

A net of $4,191,000, an increase of $2,500,000 over the same period last year, or an increase of 156 per cent.

Now, these reports coming from our two great railway systems are significant. Taking the Canadian National figures, if you multiply the $2,500,000 by twelve, I think you will see that by the end of this year the system will be able to meet its interest to the public.

Mr. BENNETT: Mr. Speaker, I wonder if the hon. gentleman really understands what he is saying.

Mr. HOWARD: I have a fairly good idea.

Mr. BENNETT: The Canadian National Railways did not earn its interest charges by over $40,000,000.

Mr. HOWARD: I did not say anything to the contrary.

Mr. BENNETT: The hon. gentleman said it would earn $40,000,000 next year.

Mr. HOWARD: I said that this year and last year it nearly met its interest on all the outstanding indebtedness to the people of Canada, not on the money that has been put up by the government.

Mr. BENNETT: The balance of it is part of our national debt.

Mr. HOWARD: I would ask hon. members to listen to this evidence of prosperity in the business world:

The Ford output at the Canadian plant is still growing, there being an increase of over 8,000 cars in the five month period compared with a similar period last year. The output of tractors is also on the increase.

This is not a statement given out for the government, but a statement furnished to the company's shareholders. At the bottom I find the following:

The total sales and income for the five month period is $16,191,000, an increase of over $5,000,000 in the first five months over last year. Showing a net profit of $1,000,000 for the period.

Let me give another item concerning the automobile industry generally:

"The auto industry attains a record output for 1925." There were manufactured in Canada during 1925, 124,000 cars, worth $82,000,000. . . . export shipments from Canada were the highest on record, the total value of automobiles and parts exported during the year being $39,000,000.

One more item to show our increasing prosperity. This is from the banking standpoint, and it comes very near to me, for it is published in the Financial Times, and we know the politics of this paper. It states in connection with the building of a new paper mill just north of the city of Sherbrooke:

About five years ago this same company was obliged to put out a bond issue carrying a rate of interest of 8 per cent, and it sold just as few bonds as it possibly could. When it is ready to build its new paper mill,

instead of re-financing, the president says: "We have arranged with our bank to loan us the money by our putting up these 8 per cent bonds as collateral security and getting our money at 6 per cent."

This shows the improved financial situation in the banking and industrial world.

Now, Mr. Speaker, what I think we should ask ourselves in connection with the budget is this: Was this reduction in taxation justified? In replying to that question, lest my figures may be disputed by some hon. members on the other side, as they have just been disputed by the hon. member for West Calgary (Mr. Bennett), instead of taking my figures from the Canada Year Book or the blue books of this government I will take them from the 1925 report of the Royal Bank of Canada. I take that report because I see from its first page that the president of that institution is one of the head Tories of Canada, so I am sure hon. gentlemen opposite will not dispute these figures. There are no figures given for 1911, but at page 26 of that report I find that in 1910 the net public debt of Canada was $48.64 per capita, and that in 1921, when this government came back into power, the net debt per capita was $266.36; in other words, it had jumped from $48.64 to $266.36. The next year there was an increase of $4. Then what do I find? In 1925 it had decreased to $258.16, a decrease of $8.20 per capita for every person in Canada.

Turning to the next page of the report, page 27, I find that the total gross debt of Canada was practically the same in the years 1923 and 1924, but in 1925 it had decreased by $80,000,000. I also find that the net debt in 1923 was $1,814,000,000, and in 1924, $1,804,000,000, or a decrease of $10,000,000. In 1925, the net debt of Canada was $1,767,000,000, a further decrease of $37,000,000, which, with the $10,000,000 decrease of the previous year makes for the two years a decrease, according to Conservative figures, of $47,000,000. I say, Mr. Speaker, that this justifies the reduction which this budget proposes in the present income tax.

Mr. LADNER: Does the hon. gentleman not know that the apparent decrease in the debt is largely due to the fact that this government ceased making direct loans to the Canadian National Railways, as was done under Mr. Fielding, and instituted the practice of guaranteeing the bonds, and in that way showed a saving in one year of $70,000,000?

Mr. HOWARD: I have reason to believe what was stated by the Minister of Finance, that the system of bookkeeping has not been changed.

[Mr. Howard.]

It has been stated in practically all the Tory press during the past two weeks that every member on the Liberal side and on the Progressive side of this House discusses only the reduction in the automobile tax. I shall therefore for a few minutes pay attention to the reduction in the income tax, and the first thing I wish to take up is the method of taxation.

I would like you to remember, Mr. Speaker, that this income tax was put in force in 1917 and became effective on the 1st of April, 1918, and I have no hesitation in saying to this House that the system of income taxation as called for under the income tax legislation of 1918 was one of the rottenest systems that has ever been put over any country. I say so because it disregarded the fact that all people in this country have the same rights. The government of that day placed upon the statute book that famous surtax, and anybody who knows what a surtax is knows that it is simply a way of allowing the rich man to get a preference over the man who is earning an ordinary salary. I am proud to stand on this side of the House and to say that under the income tax proposals brought down by the present Minister of Finance there is no class distinction of any kind. I also wish to state that the load has been lightened especially for those people who needed relief, the man whose salary was reported by his employer, and who perhaps was raising the large or the largest family, and therefore needed the most relief. This government has seen fit to raise the exemption of that class.

About two days after this budget was brought down, somebody ran across a certain kind of income that might bear a heavier tax than in the previous year. The Tory press broadcast the fact that the income tax reduction was only a bluff, that as a matter of fact there was an increase in the tax. There can be no question about the $3,000 exemption, but let us take the business man who is carrying the load of the country and has an income of, say, $10,000. Last year the man with an income of $10,000 paid $619.50; this year he will pay $290. But the man with the same income derived from dividends on, say, Canadian Bank of Commerce stock, probably left to him by his great grandfather, and who last year paid only $115.50 while the business man paid $619.50, will this year pay, not more than the other man—because this government does not go on that basis—but he will pay the same as the other man, namely $290.

Mr. BENNETT: I am sure the hon. gentleman would allow me to ask him a question. Does he realize what that means to the people who bought securities from brokers free from normal tax and now find themselves deceived and having to pay this extra tax?

Mr. HOWARD: I do not think the question affects my argument in the least.

Mr. GEARY: I suppose the same would follow in the case of a widow whose whole income had been left to her?

Mr. HOWARD: They are as well able to pay as the man who is carrying the load and has six children to provide for and educate. The great point is this, Mr. Speaker, that under this budget every man knows where he stands.

One thing more. Travelling up and down this country in the last five years I have come across this situation, which has been remedied by this budget. A man will ask you on the train: Who makes up your income tax? Naturally you will mention whoever is your auditor in your home town, and then he will say to you: "I used to be employed with the Income Tax department, but I am now in business for myself; if you will allow me to make up your income tax I will save you one-half of what you are paying now and we will go fifty-fifty on the balance." But under this budget, Mr. Speaker, there will be none of that kind of business for any man can sit down and find out for himself exactly what he has to pay.

The Tory press call this a Progressive budget. I would like to ask them how they get that way. There is not one single Progressive member from the province of Quebec, and yet there is not a member from that province who does not support every clause of this budget. If this budget was dictated by the Progressives, how do you account for the cut in the rich man's income tax? I go further: I say that this budget was brought down by the Liberal party with the help of the Progressive party, because they are willing to assist in the passing of any legislation which is in the best interests of the people of Canada as a whole. There have been many governments with a majority running from thirty to fifty in this House who would never have dared to face the financial interests of Canada and bring down a budget favourable to all classes, but this government, which on the first vote taken in this House had a majority of only three, and which, with our allies the Progressives, has a majority to-day running from only ten to fifteen, were not afraid to take the consequences. We stand, therefore, on the merits of this budget.

We have been criticized by our Tory friends and the Tory papers on the ground that Canadian industries are hurt by this budget. I should like those who really think that is the case to turn to page 2456 of Hansard and in the part of the budget recorded there they will see whether this government stands by Canadian industries or not. An industry in the town of Drummondville which is spending $7,000,000 to-day on the erection of one of the finest cellulose manufacturing plants in Canada, came to this government and received what? They were allowed to bring in from the United States a certain part of the material they required for one year practically free of duty, and another part of the material for two years, so that they could get their own plant going by that time. When their own plant is in operation the tariff will be applicable as it is to-day.

With respect to the argument that this budget will discourage Canadian industries let me point out that the Montreal Gazette of yesterday states that the Spruce Falls Power and Paper Company's industry will be developed at a cost of $25,000,000. That industry is in the province of Ontario. Now that industry is not afraid to spend $25,000,000 just after the bringing down of the budget. But I want to tell hon. gentlemen of the prosperity that is coming to the province of Quebec. Perhaps it is not generally known that the Aluminum Company of America is spending in the northern part of that province the enormous sum of $100,000,000, two and a half times the total valuation of the city which did me the honour to send me here. One development involving an expenditure of $100,000,000! And those people are coming here and are going to manufacture aluminum in the face of the budget brought down on April 15 last.

I do not desire to criticize the budget in any way, but I should like to see the time soon when the stamps on notes will be the same as on cheques, and I feel sure this will be realized in due course. I should like also to see the restoration of the duty that was taken off cyanide pumps in 1914 by the Tory government, thus allowing them to be manufactured in Pittsburgh, Pennsylvania, and shipped to the great mining companies in northern Ontario and northern Quebec free of duty. Whatever that duty was I should like to see it restored, so that the business of $50,000 which went out of Canada last year will go to the city of Sherbrooke. I say that not because I want the price to be increased.

but because I think Canada is entitled to that business. I congratulate the government on keeping out inferior spring scales such as might cheat the Canadian consumer.

Now I come to the tariff on automobiles. I wish to be perfectly frank in my statement. Most of you know my position on the tariff question, but I will state it again. I believe in using the tariff to protect our industries, to protect our farmers, and to protect our consumers as long as that protection is not taken advantage of to increase the price unduly. I believe in using the tariff to eliminate foreign competition—

An hon. MEMBER: Good Tory doctrine.

Mr. HOWARD: —but I do not believe in allowing any monopoly to start in this country, keeping it on the nursing bottle for over twenty years, and then allowing it to bleed the Canadian consumer without taking any steps to reduce the price. The hon. member for Frontenac-Addington (Mr. Edwards) stated the other night that the tariff would not increase the price of articles. If he were here to-night I would ask him how he could make such a statement as that in view of the price of Canadian automobiles as compared with the price of American automobiles? The same hon. gentleman quoted an item, which I now hold in my hand, with respect to Henry Ford, and he stated that Henry Ford was not an authority on automobiles. Well, if Henry Ford is not an authority on automobiles I do not think the hon. member for Frontenac-Addington can be an authority on the Orange Lodge.

To illustrate my point with respect to the effect of the duty, let me say that in Sherbrooke we have an industry employing five hundred hands. There is a duty on the class of goods which it makes of twenty-seven and a half per cent. But the Canadian price to the Canadian consumer instead of being higher than the American price to the American consumer is actually less. There is another industry in Sherbrooke engaged in another line of manufacturing, which enjoys a protection of thirty-five per cent, the same as the manufacturers of automobiles had. Yet that factory's price in Sherbrooke to the Canadian consumer is exactly the same as the price for the same line of goods in the United States. There are two other industries in Sherbrooke, two of the biggest in that city. They manufacture full-fashioned silk stockings for ladies and enjoy a protection of thirty-five per cent. When these articles are imported into Canada they are subject to thirty-five per cent duty, but do Canadians pay a higher price for silk stockings? No, in every retail store throughout the Dominion these stockings can be bought at $2 a pair, which is exactly the same price as that paid in the United States for the same quality of goods. There is also in Sherbrooke a big factory which employs one thousand hands. That industry runs day and night and, as I said before, sometimes on Sundays. The duty on the products of this industry is twenty per cent. It used to be twenty-five per cent, but a reduction of five per cent was made and no delegation came to Ottawa to protest. But in spite of the fact that there is that protection of twenty per cent, the average yearly sales price to the Canadian consumer is only five and three-quarter per cent over the American price. Now, Mr. Speaker, these are examples of industries that are engaged in manufacturing in Canada and yet treat the Canadian consumer fairly.

Now let me come to the question of automobile prices. I will give some figures in that regard, but I will be brief. I have given the figures before, but on account of the fact that they were disputed I wish to repeat them. This is taken from American Motor, a magazine published in the United States, of the issue of April, 1926. It gives the price of every car in the United States, f.o.b. Detroit or at the manufacturing town. This is what I find:

	Canada	United States	Per cent
McLaughlin Buick Sedan..	$2,020	$1,295	56
Oakland Coach..	1,720	1,095	57
Oldsmobile coach..	1,495	950	57½
Chevrolet Coach..	1,055	645	63½

Then I find this statement appearing in our daily press:

"In spite of legislation which we do not consider to be in the best interests of the country, we believe it is the duty of all patriotic citizens to carry on and do their utmost to build up Canada," said Wallace R. Campbell, vice-president and treasurer of the Company, in making the announcement.

"We hope that the increased production will justify the cut, and we are depending on the people of Canada to keep us going."

And alongside of that in the very same paper I find the following item:

"We have definitely decided to discontinue the manufacture and assembling of the Oakland, Cadillac, Oldsmobile and G.M.C. truck immediately, and all these cars will now be imported complete from the United States," said R. S. McLaughlin, president of the General Motors of Canada, Limited, this afternoon. The General Motors plant here employing 3,000 hands, closed down temporarily on Friday morning after the tariff announcements of Hon. J. A. Robb, Dominion Minister of Finance, but will reopen on Monday morning. Mr. McLaughlin declared that the closing of the plant was "no bluff".

There is not a member in this House who does not know that the Canadian workman

is the finest workman in the world, bar none. We want to do everything we can to protect him, but I ask hon. gentlemen to be honest and fair. Industries that were in the business during the war, employing 4,000 to 6,000 men, did not close their doors the morning after the Armistice was signed in November, 1918. They did not put their workmen at once on the streets, but kept them for months afterwards; they did not remove them until the country could absorb the surplus labour. That is why I say—and I believe it is the opinion of the people of Canada generally—that any firm who would close their doors and put their faithful employees on the street before knowing what the effect of the budget on the people of Canada would be, have no right to manufacture in this country. If the manufacturers had been honest and played the game fairly, no government, neither this government nor any other, would want to do anything to injure the industry, because we all should have but one aim, the upbuilding of our country.

Some feeling has been expressed, some suggestions have been thrown out and statements made, that this was a movement of the province of Quebec against Ontario. I deprecate such remarks as these. Anything that benefits Ontario benefits Quebec, and anything that benefits Quebec benefits Ontario. I will give you one example to-night to show whether or not Quebec is playing fairly. The Montreal Light, Heat and Power Company is paying to this country, an income tax of three-quarters of a million dollars and is supplying power to the citizens of the province of Quebec in the district of Montreal, while the Ontario Hydro Electric Commission, which is supplying citizens around Toronto, is not paying one nickel by way of income tax. We in Quebec think they should be on the same basis as our Quebec companies. When we talk about justice in this country we mean justice to everybody, rich and poor, the people in the west and those in the Maritime provinces, and as long as the present government remains in power this country can be assured that they will rceeive even-handed justice.

In the United States there is one automobile to every six people. In Canada there is only one automobile to every thirteen people. When an automobile manufacturer tells you that he will close up his factory in Canada and go back to the United States he knows he is bluffing. He knows that this country of ours, Canada, which our taxpayers have built up, is the only country in the world where he can build a car, get the advantage of the British preference and sell it in the British Empire, which extends round the whole globe. The automobile manufacturer knows that the Australian government demands that in order to obtain the benefit of the British preference he has to make 50 per cent of his car in Canada, and that is where the rub comes. He wants to get the benefit of the British preference if ten per cent is manufactured in Canada. He also knows that in one of the small British possessions, India, there are three hundred million people; they are only beginning to build their highways, and they will be the greatest purchaser of automobiles in the future. For my part I want to do justice to the automobile manufacturers. We want to treat them fairly but we should see that they treat the Canadian purchaser accordingly. The hon. member for Fort William (Mr. Manion), stated he would apply the golden rule. In other words, we should treat them the same as they treat us—meaning the United States. A book was handed to me by the Minister of Finance which showed that you could manufacture automobiles in Canada and ship them to the United States on the payment of 25 per cent duty. But when you make them in the United States and bring them in Canada there is a duty of 35 per cent. My hon. friend must have forgotten that in advocating his policy of brick for brick!

The hon. member for Vancouver-Burrard (Mr. Clark) following the speech of the hon. member for St. Boniface (Mr. Howden) the other night, directed a question to me, namely, he asked me how I liked the tariff policy which the hon. member for St. Boniface has expounded. I leave it to the House to say whether there is any difference between the policy I have enunciated to-night and the policy expressed by the hon. member for St. Boniface. He spoke about the duty on vegetables coming into Canada, the duty on potatoes, strawberries and so forth. We have a tariff board, and my opinion on this subject is that there is no need to place a duty on those products from the month of January to the month of July when Canada does not produce any of them. But if the tariff board adjudges that these products during the season they are produced in Canada are subjected to foreign competition, it is for them to decide whether they should put on a duty to eliminate that foreign competition. The matter has already been submitted to them.

In conclusion, as I see the situation it amounts to this: when this House convened on January 7, the present government was

sustained by a majority of three. This government asked for an adjournment of six weeks in order to elect their ministers in the best interests of Canada. But that adjournment was held off and was cancelled by the action of members of the opposition. If they had granted that adjournment, they might have reduced that majority by one, but they did not do so and consequently the majority is increasing every day and has increased. I sat in this House and heard the speech delivered by the hon. member for Vancouver Centre (Mr. Stevens) when he spoke for about three hours—one of the greatest addresses that has ever been delivered in this chamber—on the eve of the election in Prince Albert. It was supposed to have been in the interest of Canada, but I have decided that it was in the interest of the Conservative party. The result of the Customs investigation, which we cannot speak of in this House until the report from that committee comes in, will justify my remarks in due course. But up to date there has not been one particle of suggestive criticism offered.

In closing I am frank to state that all that is the matter with the opposition and their discussion on this question is the fact that they regret that their lack of tactics and generalship has increased our majorities and has placed the present government in power for years to come and prevented the opposition from bringing down this very same budget!

Mr. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, I beg the indulgence of this House for a time, I hope not too long to-night, to offer my support to the amendment moved by the hon. member for Fort William (Mr. Manion) to the budget presented by the Minister of Finance (Mr. Robb). There has been a good deal of discussion in this House over the budget and no doubt a great deal of interest is being taken in it throughout the whole Dominion of Canada. This interest is well justified because it constitutes the business programme of the country for the coming year.

Some have termed it an "election" budget. If it is it may still serve for better government. Others term it a "Saskatchewan" budget, and as hon. members from that province smile almost in jubilation at the most contentious changes it enunciates, one cannot help thinking that the desires long since expressed by the three ministers from Saskatchewan on fiscal matters are being more and more felt by the government. It has also been termed, I believe, by the hon. member for Fort William as an "American" budget, and I fear if its principles are put into effect that such a description may be justified. As I listened, however, to the hon. member for Brandon (Mr. Forke), independent though he professes to be, enthusiastically defend it in detail, and with apparent satisfaction endorse it in full and laud the government in general, I wondered if it would be fair to term it a "Forke-handled" budget. Whether or not there is in any of these terms a proper description the government alone may know, but surely such a budget would have been indescribable to themselves at the time when the Speech from the Throne was brought down in this House, when parliament and the people in general were solemnly promised that no change in the fiscal policy of the country would be made without a thorough investigation by the tariff commission into the affairs of the industries concerned. Since then the tariff commission, which was appointed in due time, was expected to assume the responsibilities for which it was created, namely, to investigate such industries.

I cannot say whether the automobile industry has been unduly protected or not or whether this is too great a reduction in the tariff or not enough. If this government assume to know, why appoint a tariff board? If they do not know, why speculate so recklessly with a theory that practically threatens the existence of a great and growing industry? It is surely reasonable to assume that an industry involving $60,000,000 of capital investment in this country, employing 20,000 skilled labourers with a payroll of over $30,000,000 annually and supporting 100,000 people who are directly interested, would be worthy of the consideration of this new board if its appointment is in any way going to be justified by this government. The action of the government seems as if it realized the futility of the board to act effectively without any principle by which to function. If that should be the reason for our not having a report from this new tariff commisison, this reduction in the duty of 15 per cent, or a reduction of 43 per cent of the original protection on automobiles by the government will at least serve as an enlightenment of the principle on which the government desires the new board to function with reference to the boot and shoe industry, the furniture industry, the silk industry and other industrial enterprises that enjoy similar protection.

The hon. member for Brandon has on different occasions explained his unselfishness, stating that sectional desires are far from his mind. As a farmer I might be pardoned if I too give expression to my own unselfishness as to these tariff changes, as I rep-

resent the riding of Dufferin-Simcoe which has not a manufacturing plant in any way subsidiary to the manufacture of automobiles, but which is a large rural riding almost solely engaged in agriculture for which its fertile soil is favourably adapted, and therefore which is a riding of purchasers of motor cars and other machinery manufactured outside of the riding. I feel that if I were to admit any selfishness it would certainly not be with any lack of interest in the agriculturists of Canada. When I say "agriculturists" I do not mean only those who are engaged in one phase of that great enterprise, but I am also mindful of those engaged in mixed farming who make up by far the greater majority of the agricultural class in Canada to-day.

The reason that I am here to-day is because the agriculturists of my riding realize that a national protective policy as enunciated by the leader of the Conservative party is of fundamental importance to their interests. Therefore I wish to make it clear to this House that even though the hon. member for Brandon leads a remnant of what once promised to be an important party in this country and though he has a special circumstantial influence in this parliament which he may never enjoy in the same way again, he in no way represents the farmers in Canada outside of a very few sections when he states that the farmers do not want protection and that a home market is not of fundamental importance to the future success of our business.

I do not want to reflect in any way on the sincerity of my hon. friends to the left when they say that they are not a class or a sectional representation in this House because I feel that they are sincere in their interest in the whole welfare of our Canadian people. But I regret that such a reference to their sincerity of purpose is in no way a tribute to their judgment of practice in the interest of agriculture because I feel that the interests of industry and agriculture in Canada are so closely identified that any fiscal policy that retards in any way one of these great basic industries, similarly reflects on the other. I realize that at this particular time in our country's history wheat-growing does not feel the benefit of a protective policy to the same extent that the balance of agricultural production does and while I hope I realize fully the value of wheat production in agriculture, I also realize that no matter how fertile any soil may be, it cannot be used indefinitely for the production of wheat alone, so that Canada is already fast becoming a country of mixed farming.

We saw long ago the effects of lowering the duties to benefit one particular class in this country, and the results invariably were such as were experienced in the lowering of duties on farm implements. This did not benefit the farmers one dollar; in fact, after that reduction by this government they paid more for almost every tool of production which they used on their farms, and other classes suffered and were forced to deplete the home market by going to a foreign market to manufacture the implements there. We have watched our Canadian people leave our country to seek employment since this government came into power. There are 15,000 Canadians engaged in the farm tractor industry in the United States who ought to be working in this country. What we need is a policy that will keep these people employed in Canada, preserve to them a high standard of living, and increase the home market for all our agricultural producers, as well as for our manufacturers and retailers. Such a policy is bound to react favourably upon those who are engaged professionally and upon all other classes of the community.

It is not necessary to put on Hansard facts and figures which probably are already on record. It would seem, however, that the government at any rate has not yet realized the situation in Canada sufficiently to see the error of its ways. We know what the effect of its policy has been on the fertilizer industry as well as on farm implements. The result of their theorizing has been to put out of business a large portion of our fertilizer manufacturing industry. This has depleted the market for farm products in Canada by driving out of the country, to seek employment in the United States and elsewhere, those workmen who were engaged in this industry. And far from the government's efforts resulting in a lowering of the price of fertilizer it has increased it: the American manufacturer is now able to charge higher prices because of less Canadian competition.

Some Canadians may be satisfied to remain just producers of wheat and the recipients of the surplus industrial products of the United States. But is it fair that, because they happen to hold that innocent international view, this country should give to the American, the Australian and the New Zealand agriculturist, as it does to-day, an advantage over the Canadian farmer in eggs, butter, cheese, meats, grains, fruits and in fact every other commodity for which the home market is badly needed? I need not put on Hansard the list of duties, which I

fancy has already been reported, but why should we allow almost $200,000,000 worth of foreign agricultural products to be sold in Canada under an advantageous tariff? The wheat producer of Canada prays that Europeans may continue to eat white bread in order to take his surplus, and he wants special transportation rates. He is not concerned with the home market. But he seems to forget that after all wheat growing is only one phase of a great enterprise in a district in which, unless all natural precedents fail, there will be a more diversified production before long. If only the Canadian market were protected for the Canadian farmer there are many lines of agriculture which would prove just as profitable as the growing of wheat. Under a proper system of protection, not only would our home market be enlarged, but important phases of agricultural endeavour would be directly stimulated, as for example, the textile industry. Surely this government should have studiously avoided the error committed by its own party under its great chieftain, Sir Wilfrid Laurier, who, realizing the disastrous effect upon eighty-eight woollen textile mills after the lowering of the duty in 1897, retrieved his mistake and increased the tariff again from 23½ to 30 per cent in 1904. Is it not a strange fact that before 1900 we had more sheep in Canada than we have to-day? In 1921, before the present government speculated in freer trade and lowered the duty on textiles, we had 1,000,000 sheep more than we have now. Our textile industry suffered heavy losses and thousands were put out of employment, being forced to leave their homes. Previous to that time we had 3,600,000 sheep and lambs, as against 2,500,000 to-day. Canada is by climate adapted to the raising of sheep, and with our vast areas we have only 2,500,000 as compared with 25,000,000 in England, with its small territory. And Australia has 80,000,000 head. With the aid of the so-called farmer party this government saw fit to reduce the duty on Australian mutton from three cents to one-half cent, allowing that dominion a special advantage also in woollen products. Since the British preference was lowered we find that almost one-half of the total imports from Great Britain have been textile products, which in 1925 amounted to over $72,000,000. Is this fair to the Canadian textile industry?

In 1923 the present government, through the French treaty, reduced our duty on French textiles to nineteen per cent on some lines, and below 30 per cent on all. Although Great Britain, still believed by some to be a free trade country, protects its textile manufacturers to the extent of 33⅓ per cent against competition, the idustry in that country pays less in wages to its factory hands than do the Canadian mills. Since 1923 our imports of woollen and knitted goods from France have increased three-fold, until in 1925 they amounted to over $3,000,000. When we consider that we produce only one-half of the textile requirements of our people and that the farmers produce only one-fifth of the raw wool consumed in Canada, is there any justification whatever for any action that tends to discourage such a great dual enterprise as the woollen industry? As a producer of mutton and wool I claim that with adequate protection for our textile industry, as well as protection against foreign mutton and raw wool, we might increase our sheep industry by one hundred per cent, with considerable advantage to this Dominion. The sheep industry is one that increases the fertility and productive qualities of the soil instead of robbing it of its best elements, as the growing of wheat tends inevitably to do.

When I say, Mr. Speaker, that a sound protective policy is as essential to argicultural development as it is to industry, I think I am only voicing the opinion of our party, as enunciated by the leader of the opposition (Mr. Meighen) in his resolution of a year ago, that we should protect the products of Canadian agriculture against unfair competition from foreign commodities which enjoy a tariff advantage. This particular phase of a national protective policy is recognized as most essential to the agricultural area of Dufferin-Simcoe which I represent. But realizing that a policy of national protection is bound to reflect its advantages in every locality, I would not consider it fair if I did not advocate, equally in the case of other activities, the same principle of adequate protection. I believe in the principle of protection as applied not only to the enterprises of my own constituency, but to coal and steel in the east, and industrial enterprises, just as I view with sympathy the question of western freight rates. My ideal is a policy that will make for national development throughout the Dominion as a whole.

I want to compliment the Minister of Finance (Mr. Robb) on the picture he has painted in his budget of the improved conditions of the country at the present time No doubt he had the advantage of the blessed co-operation of Providence; nature smiling on our wheat fields during the past year provided a good background for that picture. I

have no doubt the reductions in the income tax and the stamp tax will be welcomed, even if they do seem to be a couple of years late in coming. It would appear that the sales tax, the receipt tax and the tax on cheques, all increased by this government when it came into power, might well have been materially reduced if not abolished. Since the present government took office in 1921 the tax collections have been greater year by year than they were in any year of the former government.

Now, independent of the bright and picturesque appearance of the budget, we find that last year's expenditure was some $22,300,000 over previous years, and our estimates for the coming year promise still greater expenditure. Therefore, Mr. Speaker, while the government seem to have become artists in the painless extraction of taxes from our people, it would be more economically sound if, first, they would show a reduction of expenditure; then the other side of the ledger might be expected to follow favourably, as a natural consequence.

It is indeed gratifying to anyone in public life to note the great respect that the members of the different parties have in common for the traditions and lives of those two great leaders, the late Sir Wilfrid Laurier and the late Sir John A Macdonald, but I am sure the country regrets that there is no evidence in the present government of a desire to perpetuate the policy of their late great leader, Sir Wilfrid Laurier, whose traditions of stable government have been forgotten, or exchanged for the good-will of the Progressive party in order that the government may continue to enjoy administrative power.

The hon. member for Brandon, (Mr. Forke), who was at one time hailed as a farmer leader, according to a press report, stated in Toronto that he had been termed a Liberal, but that he was not, that he was only a Liberal in action, or an "advanced Liberal". If he is correctly reported, he no doubt was talking true to form by classifying himself as nearly to the Liberal party as words could classify him, and the only evidence of any greater similarity would be his votes and utterances in parliament. His words, Mr. Speaker, were surely carefully selected, because it seems rather unique that in order apparently to secure the support of himself and his party the government might well be classified as "advanced Liberals," they having never hesitated to break any advanced promises they have made in order to allow the hon. member for Brandon and his friends to be "Liberals in action." For some time I have been much interested in the hon. leader of the Progressive party. He follows the same vocation as I do, and he was at one time supposed to represent that particular class of our people in parliament. But the large and expansive agricultural area that has constituted his environment no doubt tended to broaden his views. Therefore it is not any wonder to-day that the people of Canada can scarcely perceive whether the one time Farmer party has broadened from its earlier class consciousness and absorbed the Liberal party, or whether the Liberal party has broadened from its identity with great traditions and absorbed the Progressive party, or whether both parties, as David said of his enemies, "have covered themselves with their own confusion." Perhaps so far as the interests of Canada are concerned that matters not; but one thing they have done—they have covered industry and labour with a confusion of dissatisfaction, uncertainty and lack of confidence that will reflect on many lines of enterprise and possible development in this country.

Is it not time, therefore, that we had some stability in our fiscal policy in the interests of commercial, industrial and agricultural advancement in this favoured land of great resources and possibilities? Is it not also time that we had some stability in government policy to restore confidence in a great and energetic people who await Canadian opportunities for a high standard of living in preference to the hope of employment in a foreign country?

Mr. W. R. FANSHER (Last Mountain): Mr. Speaker, as this is the first occasion of my addressing this House I crave your indulgence while I make a few observations on the budget. Before doing so I wish to draw attention to a few remarks made by the hon. member for Victoria (Mr. Stinson) with reference to the milling of wheat in Canada. He quoted a recommendation in the report of the grain inquiry commission, which was appointed to investigate the grain trade from A to Z, that an embargo of 42 cents per bushel be placed on wheat going to the United States. I have a memorandum here which shows that the average price of Canadian flour on the Liverpool market for the month of March was 38⅝ cents per sack lower than the price for the same quality of Canadian flour in Winnipeg. If we add the 42 cents duty, or the embargo, to that 38⅝ cents, we would be paying 80⅝ cents more for our sack of flour in western Canada than the Liverpool consumer would have to pay.

The hon. member for Dufferin-Simcoe (Mr. Rowe), who has just sat down, has told us how the farm implement business has gone to pieces in the last few years, particularly since the election of 1921. I am sorry I have not the exact figures before me, but they have been placed on Hansard, and if my memory serves me correctly they show that there are considerably more than one thousand more men employed in that industry now than four years ago.

He also made reference to the textile industry, and argued for protection for that industry. It is amply protected now, I think, to enable it to stand on its own feet. I would just like to remark here, dealing with it more fully a little later on, that any business that is running efficiently must of necessity manufacture as cheaply as possible. It must get its raw material as cheaply as possible, and must cut out all waste and all non-essentials if it is to compete in the world's markets with other industries of the same character. We are producing what we can produce in Canada more cheaply than other countries. We are doing it sometimes under a handicap of weather, sometimes under a handicap of other conditions, but always under the handicap of protective tariffs. While we export many millions of dollars' worth of the products of this country, we have to import a similar amount of other articles that we do not produce, or cannot produce as cheaply, in Canada, and if you inquire into the textile industry in detail you will find that that is the reason why the textile industry in this country is suffering to some extent, and especially does that apply to the cotton industries.

The hon. member for Dufferin-Simcoe was very solicitous for the welfare of the Progressive party. I do not wish to take up his remarks in a critical spirit, but if he continues to speak in the same tone of the Progressive party I should just like to suggest that he may find himself in a year or two in the position described by these lines:

> Vice is a monster of so frightful mien,
> As to be hated needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

In another year or two we shall possibly see him embracing the principles of the Progressive party.

I should like to speak for a moment of the beneficial effect the principle involved in this budget will have upon business in general throughout Canada. It is very pleasant, I am sure, to the entire population of this fair Dominion to know that we have at last come to the point where we can meet our expenditure from current revenue, and have a tidy sum left over to our credit. Some few years ago in western Canada, and I have the privilege of representing a western constituency, we almost despaired that that time would ever come, but here we are. We have reduced our national debt, not by a large amount it is true, but still very appreciably considering the years through which we have come. It is also very gratifying to know that the Canadian National Railway is almost at a point now where it will no longer be a drain upon the Dominion treasury. We are sure that the managing general, so to speak, of that great railroad, will soon bring it to the point where it will be paying back large sums every year of the money that has been advanced.

I think all will agree with me that the great basic industry of Canada is agriculture. I do not need to argue that point, or to bring any proofs, because it is generally admitted. We have been told for a number of years at election time, we have been told on the floor of this House, and we have been told through the press of this country, that agriculture is our great basic industry, the foundation of all other industries. The reports of all the Canadian banks in the past year bear out my contention. Agriculture is our great basic industry; it produces an enormous amount of wealth, and because of the new wealth it brings into the country it has a beneficial effect on all other industries in Canada that cannot be gainsaid. The agricultural production of this country has contributed to the exports of Canada to the extent of 82 per cent, and an industry contributing such a large percentage to the wealth of Canada surely deserves consideration. But agriculture has been in distress for some time. I am sure that when I have finished my remarks hon. gentlemen will see that it is necessary to relieve this industry from that distress, in order that other industries may enjoy what they would like to enjoy through protection.

Through protection the whole cost of living is gradually raised to a higher level. The man in the factory has to pay more for his clothes, for his furniture, for everything that he consumes. Therefore, he has to get more wages. That increase in wages has to be added to the cost of the article that he produces, and so the merry circle goes, until we have built up a cost of production in Canada that will not enable us to compete with other countries in the world's markets. There is another thing that has added very materially to this cost of production of which I shall speak a little later, but I wish to say here

that the principle involved in this budget, namely, that of lowering the duties, is a step in the right direction which will gradually lower the cost of production so that we can successfully compete with other countries in the world's markets.

I would suggest that in the next budget submitted to this parliament there be a reduction in the duties on the necessities of life. That would be of advantage to everyone throughout Canada, and would tend to lower the cost of production of which I have just spoken. We have heard a good deal about the loss of population in Canada, about our young men and young women crossing the international boundary line to get work. The situation seems to me to resolve itself into a fight, as it were; a competition between the industrial part and the agricultural part of Canada, or between other industries and the great basic industry of agriculture. A certain pressure has been exerted against this great basic industry that it has not been able to stand, and it has been crumbling. Coming from western Canada I know whereof I speak. Many a farmer in consequence of this pressure has gone to the wall and has crossed to the United States, and in some cases has been assisted to go there. In other instances the farmer has saved enough out of the wreck to enable him to go to the United States without assistance in order to get work. This has been the result of the crumbling process I speak of which has been in operation for a number of years and was largely brought about by the war. Of course other industries have felt the effect, because the farmers could not produce from the soil the amount of wealth they had been producing, and could not give the factories of this country the orders they needed so much.

We have embarked upon an immigration policy with the idea of building up Canada and of filling up its vast spaces. With that policy I agree. But when we get immigrants it is necessary to supply them with work. It is not coal miners for Nova Scotia or the western provinces that we need, or artisans. We require the class of immigrants that will go on the land and produce. There is plenty of land available in western Canada and plenty of work for immigrants of the right class, and there are still many farms in eastern Canada that should attract agriculturists from other lands. So there ought to be no difficulty in these newcomers making good homes for themselves. or in making a success of agriculture provided this basic industry is placed on a fifty-fifty basis with other industries in Canada. After we have secured these immigrants, and they have started to work, then we must secure markets for their products. The securing of markets is important, probably more important than securing the immigrants, because if there are not markets for the products of these people they will not stay long with us. What is more, we need profitable markets. I will leave this part of my subject for the moment, and return to the question of markets a little later on.

The industrial depression in Canada, of which we have heard so much during the present session, has been due greatly, I think, to the depreciation in the value of the agriculturist's dollar. We worked hard to produce wealth, and at the end of the year when we balanced our accounts we found we were no better off. We kept at it for a number of years, and then began to inquire what was the matter. We commenced to look around. We found that the bed on which we slept enjoyed a protective duty of thirty per cent. All our clothing and all our furniture were protected to the extent of thirty-five per cent. Our agricultural machinery has a protection of from seven and a half per cent to seventeen and a half per cent according to the character of the implement. Our harness, in fact everything that we use on the farm, is protected. We apply our brains and our brawn to the cultivation of the soil and we produce beef, pork, grain, and other commodities which we have to sell on the world's markets. With the duties as they are we realize that we are greatly handicapped, and if the Progressive party stands for anything it stands for a gradual lowering of the protection of which I have spoken, so that those engaged in the great basic industry of agriculture can compete successfully in the markets of the world. If we were placed in a position to do this, such a flood of orders would pour from the farming sections of Canada into the manufacturing centres as would cause the manufacturers to forget all about a protective tariff; they would not need it then. But we are starting at the wrong end. We are building up the structure before we have constructed the foundations.

There is another thing that has entered very materially into the cost of production in Canada. I am not offering this as any argument for my remarks to-night, but I make reference to it because I think something could be done in this direction. I refer to the costs of distribution in Canada. I have before me a little memorandum containing the price of a few articles sold in the west as compared with the manufacturer's price for the same articles in eastern Canada. For one of these articles the price charged in western Canada is from

$2.75 to $2.85, whereas the manufacturer's price is $1.38, a difference of $1.47. In the case of a second article, which is used in all Canadian homes, the cost to the manufacturer is a little less than $55, whereas the retail price to us is over $110. I make these references because I think they will have some effect on my argument as to what we are doing to help ourselves in western Canada. We studied the tariff, we studied the cost of distributing goods from the manufacturing centres of Canada, and also what it cost to distribute farm products, and it led us up to the point where we formed an organization that is known probably all over Canada and in a good many parts of the world—I refer to the wheat pool. We found from our study of the situation as it existed in the marketing of wheat and other grains that there was a great discrepancy between the price which we received and the price which the consumer paid. So we thought out the plan of forming this wheat pool and getting our products on the world's markets at the lowest possible cost. As a result of this I can say that outside of the physical handling charges it has cost us less than a cent a bushel, we market our wheat at a saving, in some instances on the lower grades of wheat all the way from a few cents to a sum as high as thirty-one cents a bushel and possibly higher. I wish to point out that we are doing all we can by this means to increase the value of our dollar, so to speak. We are enhancing the net return to ourselves in the manner indicated. The two articles to which I refer are produced in eastern Canada—

Mr. EVANS: Name them.

Mr. FANSHER: I do not wish to name them. I can give the names of the articles and the prices privately to any hon. member who wishes that information, but I do not desire to make a public statement because that would not be fair to the parties concerned. I would point out that we farmers of western Canada have gone a long way to make the purchasing power of our dollar one hundred per cent, and I will throw out the challenge to the industrial magnates, as I may call them of the manufacturing centres of Canada, that they do something from their end of the business and give us the products of their factories at the least possible cost of distribution. Perhaps it is not a fair thing to put up to them, because they manufacture so many different things, of such different natures, that they would not be able to do as we have done with wheat. If that is the case, if it is not possible for them to do so—as some of them have suggested to me—then it is up to us to go further and organize our purchasing power.

I stated a few moments ago that when we got immigrants of the class who could go on the farm and they began to produce, we would need markets for the products of their labour, and I want to quote a few figures showing that outside of the United States Great Britain is our best market for our products. There is a great difference between the amount of goods we import from and the amount we export to Great Britain. The figures will be shown by the following table:

Year	Imports	Exports
1923..	$141,330,143	$379,067,445
1924..	153,586,690	360,057,782
1925..	151,083,946	395,483,433

I quote these figures to show that we are importing from Great Britain less than half the amount we export to that market, and I want to draw some conclusions from this fact. I wish to give two illustrations which occurred in very recent history, well within the memory of any young man who is within my hearing. Hon. members will remember some few years ago that Great Britain was short of rubber. The United States had a corner on rubber, and as a result of that condition British rubber manufacturers were somewhat handicapped. It was not, however, as large an industry then as it is now. They proceeded, therefore, to evolve a plan whereby they could supply themselves with rubber. I do not need to relate all that took place in this connection, because the facts are well known. But I want to make a reference to one other article, to show the efficiency of British capital in dealing with a situation of this kind and to indicate the manner in which an application of the same principle may be made to our wheat market.

For a time this rubber question caused the British industry some concern. But hon. members know what has happened in this connection in recent years. British financiers proceeded to plant rubber in every section of the empire in which it could be grown, and the result is that to-day seventy per cent of the entire rubber production of the world is controlled by British finance. In fact they so efficiently control it that prominent citizens of the United States have stated that England is paying off her war debt to that country out of the bounties on rubber. So much for the efficiency of the British financiers in regard to the rubber question. The same thing happened in respect to cotton. The United States at one time produced the greater portion of the world's supply of cotton, and the consequence was that Great Britain found herself short of a sufficient

supply to keep her mills running. In order to take care of this condition the British government proceeded to build great dams across the river Nile for the purpose of providing irrigation for the waste deserts of Egypt, which, it was proved, could produce the best cotton in the world, so that in a few years they will be able to supply themselves with their own raw material.

Hon. members may ask, what has this to do with the question before the House at the moment? Well, this is what it has to do with it. When Ramsay MacDonald was in power in Great Britain he sent a commission over to Russia to investigate trade conditions there, and investigations and negotiations have been going on to some extent ever since. To-day the Prime Minister of Great Britain has two delegates in Russia inquiring into conditions with a view to the supplying of British goods to the Russian peasant in exchange for the wheat which he produces. The expert economic adviser of the Prime Minister of Great Britain is now at the head of the commission consolidating the co-operatives there, so that they will be able to carry out this proposition. I may be asked, what has that to do with Canada? Well it has this to do with Canada; if Russia supplies Great Britain with wheat and Great Britain supplies Russia with manufactured goods, what are we going to do with our wheat? Great Britain has been taking and will continue to take our wheat until such time as Russia can produce enough to supply the British market. Britain has been taking enormous quantities of wheat and flour from Canada—not all directly from Canada, because a considerable quantity of Canadian wheat is ground in the United States and shipped from there to the British market; yet it is the Canadian product, produced on Canadian farms.

The figures which I have quoted as to the exports and imports between Great Britain and Canada show that our imports from Great Britain are so small compared with our exports to them that British financiers are getting tired of the position in which we stand, taking from them, as we do, less than half the value of our exports to them. They will probably do just as they did in the rubber and cotton industries; they will turn their attention to Russia, and they will secure from that country the wheat which they so much need for their home consumption. What is the use of bringing immigrants to this country and putting them on the land to produce, if we do not look well to the holding of that market for our products in the future? I think we should make every effort possible to take more goods from Great Britain so that she will be in a better position to take the products of our farms.

Some hon. members have argued in this House that we do not need to take imports for exports. But let me point out that if I produce wheat or other agricultural products, they are the product of my labour. Some hon. members say that when that product goes over to Great Britain it can be paid for in gold. That is all very well, but that wheat or other agricultural product is of no value until it is consumed, and who consume it? Industrial workers consume it. And how do they pay for it? They pay for it with the product of the labour of their hands, the same as I pay with the product of the labour of my hands for the things I buy. They have to produce goods to pay for what I produce and export to them, and if I cease to take their goods they will cease to take mine.

I think I have shown in a few brief remarks that we must do something pretty soon in regard to our British market or we may lose a large portion of it to the Russian people. The trade commissioner from Russia to the United States was at St. Paul when that general conference of representatives of different countries in regard to marketing the products of the farm, or what we might call the great pool conference was held there. He made the statement that they would have 200,000,000 bushels of wheat for export next year and that before 1930 they would have reached their pre-war standard of 500,000,000 bushels of wheat. This is something that we should not treat lightly; we should do all in our power to retain the British market so that we may have at least a reasonable chance of exporting our surplus farm products. True it is that we are developing markets in other parts of the world. Some of our wheat is going to Japan and China, some to South America, and possibly in the not distant future the United States will be compelled to come to Canada for some of the wheat she needs for her great nation.

In connection with the tariff on automobiles, I wish to deal with the question of trucks. I think it was in 1917, when the greater production campaign was on, that farm tractors under $1,400 in value were admitted into Canada free. I think trucks of a large tonnage should be admitted into Canada free. In Canada we have no manufacturers of this style of truck and I will explain why I think these trucks should be admitted into Canada free. We have in western Canada a vast railway system, in fact two systems, but they

do not cover the entire country. There are on each side of our railway lines tremendous stretches of land that are non-productive because it is almost impossible to farm in that land and draw the product to market at a greater distance than fifteen miles from a railway. Some are drawing their grain twenty miles and some further, but that is not profitable. My contention is that trucks of a five-ton capacity could bring in the products of farms thirty miles away to those lines of railway as profitably as a farmer can now draw his grain with horses fifteen miles. This would widen the territory of production on those branch lines; it would practically double the quantity of traffic those roads would have to haul. That, I think, would be a very simple solution of part of our railway problem. This idea has not been advanced in the House before to my knowledge, but it is one that came to my mind several months ago.

The United States has often been referred to as being a very rich country and its high tariff has been advanced as the reason for that. That is a matter of opinion. The United States comprises the largest population and the greatest area of free trade country in the world, and that fact has contributed very largely to its success. In other words, it has become very rich and well established as a nation probably above all others because of its unique position in having such a large stretch of country within which free trade exists.

But another thing that has not been mentioned before that has been one of the greatest factors in the advancement of the United States in the last few years is their improved banking system. I have no quarrel with the Canadian banks as they now exist. They manufacture money, I was going to say, and turn it out to us for use, but I believe it is principally for the good of the banks. In comparing the two systems I would say that the banking system of the United States excels that of Canada in that it is useful to the common people; it has given them a chance to buy, to sell, to produce, and the United States have prospered more from that cause in the last eight or nine years than owing to their protective tariff or their unique position in being practically a self-contained country having a tropical climate in the south and also the northern climate of the great wheat belt.

I want to make one more comparison before I take my seat. I have often thought of Canada as a young giant. We know that the young men and young women of these days have rather insatiable appetites and they often slake those appetites to their own detriment. A young person to be strong and vigorous must adhere to certain rules governing the appetite, the digestive organs and so on. This young giant of Canada has had its tastes pampered to a very large extent. It has stuffed its stomach, as it were, the central provinces, and it has caused gout in its feet down by the Atlantic and an anaemic condition in the great arms of production in western Canada. The diet on which this young giant has been fed during the past number of years has contributed very largely to that situation and that is the diet of the old National Policy. I would suggest a change in the diet of this young giant so that the lifeblood may pulsate from one coast to the other. I would suggest that the rations of the old National Policy be decreased gradually and that there be substituted for that the new national policy as propounded by the Progressive party. In that way, we would have a strong, vigorous country, well able to take care of itself in the competition that is now becoming so keen with other countries of the world.

[Mr. Fansher.]

Mr. SEGUIN (L'Assomption-Montcalm) (Translation): Mr. Speaker, I do not intend to take much of the time of this hon. House, however, I deem it my duty to express the great satisfaction felt by the electors of the beautiful and large county of L'Assomption and Montcalm in regard to the budget speech lately delivered by the hon. Minister of Finance (Mr. Robb). Moreover from one end of the country to the other, since the budget has been brought down, numerous and very clear signs of approbation have come as an endorsation of the stand which the government has taken. The budget speech characterizes well the Liberal policy which lends itself to the needs of the people and knows how to put forth, notwithstanding the protests of interested financial and manufacturing groups, a wise legislation, far-seeing and devised toward protecting the interests of the great majority of the people of the country.

The most striking points in the budget speech are the following: A surplus of $55,000,000; a reduction of $22,353,000 in the public debt; revenues estimated at $376,800,000 for the fiscal year 1925-26; a decrease of taxes estimated at about $25,000,000; a substantial reduction in the income tax affecting particularly the small wage earners and the head of families; the disappearance of the stamp duty on receipts; a cutting down and further exemption in connection with the sales tax; a reduction of

the duty on automobiles; conditional drawbacks allowed on material entering into the manufacture of automobiles; penny postage on letters; balance of trade in our favour amounting to more than $402,695,000, the largest since the war is over; British preferential tariff applied to goods transported directly into the country without being reshipped.

This is, I think, one of the most democratic budgets that we have had for a number of years, if indeed such an instance can be found in the fiscal history of our country since Confederation.

The present government through the mouthpiece of their Minister of Finance, have clearly and precisely defined the policy which they intend to follow, in order to lighten as much as possible the people's burden while providing sufficient revenues to balance the budget and meet the national indebtedness. The present government is proceeding strictly on the lines of the Liberal policy which were laid down by the right hon. Sir Wilfrid Laurier. Always anxious to give full and entire justice to all the provinces and to grant the utmost privileges, in keeping with the exceptional conditions prevailing in our country, the government has striven to give to all groups and to all parties in the country, as well as to all classes, the greatest possible measure of favours.

The government's ultimate aim, so far as the situation created by war allows, has been to unceasingly endeavour to bring down the cost of living by lowering the customs duties wherever it was possible, without endangering the life of the industries which are essential to the economic structure of the country. It has also directed its efforts towards reducing the cost of production in the basic industries, by allowing a freer entry into the country of the raw material essential to these industries. The government has endeavoured to contribute as much as possible to the lowering of the cost of living; and that is why the tariff has been reduced to such an extent on a great number of articles which are not produced in our country, as well as on certain tropical fruit, also on ginger, spices, cane sugar and sponges; this will enable the Canadian people to effect a saving of many thousands of dollars yearly in the home.

Mr. Speaker, the marked reduction in the tariff on automobiles valued at $1,200 or less is a further proof that the government is endeavouring to unburden the people. The automobile industry, in Canada, if we are to believe the statistics which have been published of late by most of the financial newspapers, has realized substantial profits. It was but right, therefore, to reduce the tariff on automobiles so as to bring down the price for the Canadian consumer. To-day, the automobile has become an entirely indispensable accessory in the commercial and social life of the people, and the farming class itself is, perhaps, the one which will benefit the most from the reduction in the tariff.

The lowering of the tariff on tin which is not produced in our country will allow the manufacture of tin cans at a lower cost and be a factor in reducing the cost of living. This is a further proof of the Liberal government's earnest desire for the welfare of the people and its endeavour to lift the burdens which the war has accumulated upon their shoulders.

The doing away with the receipt tax, the reduction in the income tax, and the sales tax in certain cases, are so many measures which the public highly welcome. An effort was made in certain quarters to rouse the workmen of automobile factories. The untimely announcement of the closing of the works of the General Motors, at Oshawa, did certainly create a sensation; however, the reconsidering of this decision taken with the sole aim of embarrassing the government has produced the opposite effect and has shown up the bad faith of the protectionists. We must not forget that the automobile industry in our country is made up, in general, only of American branch establishments which control the market without any other competition than that which may exist between them. We must neither forget that most of these branches were established in this country in order to take advantage of the British preferential tariff and allow them to reap greater profits on their exports.

One will recall that last year, when the reduction in duties on farming implements took place, the same protests were registered, the same warnings of disaster were given by these Tory prophets. Yet the manufacturers of farming implements continued to prosper and some of them even increased their profits notwithstanding this reduction in the tariff.

Last year, like to-day, Sir, we were given to understand that the industries so affected would close their doors, that a large number of workmen would be thrown on the street, that the trekking of our people across the borders would increase in a more alarming proportion. What was the outcome of these warnings of disaster?

The manufacturers of automobiles have realized millions in profits, thanks to the high protective and preferential tariffs. Is it fair that these manufacturers, for the most part Americans should continue to amass wealth in such a scandalous way at the expense of the Canadian people? Is it fair that the difference between the sales price in the United States and in Canada exists simply because of the high tariff which has, up to now, allowed Canadian manufacturers to demand exorbitant prices for their cars? The difference in these prices does not only apply to touring cars, but also and especially to tractors and motor trucks. Owing to this high protective tariff, the Canadian farmer found himself at a disadvantage in relation to the American farmer. The same could be said for the manufacturer, the contractor and the trades people who made use of motor trucks in their business.

The reduction, Sir, in the income tax and the changes brought on in its administration also receive the public's sanction. Hence, the government gives further proof of its desire to lighten the people's burden. It is but fair that the business man who draws dividends from his investments, should not be placed on the same footing as the wage earner, who gets a living by the sweat of his brow. In most cases the people with independent means live on their income without being of any benefit to the community, while the wage earner is an asset owing to his work. Was it not but fair to establish a difference between the two in regard to the income tax?

What do you think now of the return to the penny postage? Is it not true to state that this measure is purely a Liberal conception, and that there does not exist one person in the whole Dominion who will not feel its good effects? Might I suggest to the hon. Minister of Finance, in order to commemorate with still more joy Dominion Day, that in making the first issue of these postage stamps they be made bilingual, thus doing justice to the two official languages recognized by the constitution of the country.

Are not all the changes, Sir, announced in the budget speech of a nature to spread joy among all classes of society, as well as being a final answer to the whisper of death? It is, therefore, with confidence that the Canadian people can look forward to the future, now that the Liberal party, with the help of Providence no doubt, has succeeded in bringing prosperity to our country which the evil Borden-Meighen governments seemed to have banished forever. As a whole, the budget seems to meet the public's approval, if we make an exception for those who are directly affected or are blinded by their political passions. Judging from the measures brought down, the Liberal party once more has emphasized the policy it intends to follow, which has been that of its leaders for the last thirty years past. It is the golden mean between high protection and free trade. It is the wisest policy for a country like ours, it is the only policy which acknowledges the rights of the people in every part of our vast country. It is this constructive policy that the people endorsed at the last general elections, it is that policy that the province of Quebec approved by its vote. And it is for the pursuance of this beneficial policy that I shall register my vote in favour of the budget resolutions, as submitted by the hon. Minister of Finance.

I think, Sir, that it will be to the satisfaction of everybody if, at this late hour, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Motherwell, the House adjourned at 11 p.m.

Monday, May 3, 1926

The House met at three o'clock.

REPORTS AND PAPERS

Return showing the amount of customs duty collected in each province during the year ending March 31st, from 1921 to 1925 inclusive—Mr. Boivin.

Annual report of the Canadian Government Merchant Marine—Mr. Dunning.

DIVORCE ACT AMENDMENT

Mr. W. J. WARD (Dauphin) moved for leave to introduce Bill No. 94 to amend the Divorce Act (domicile of married women).

Sir HENRY DRAYTON: Explain.

Mr. WARD: The purpose of the bill is to establish equality of domicile as between man and wife. I think, probably, that no further explanation is required at this time. We are all quite familiar with the spirit of legislation of this kind at the present day. This is in keeping with the Women's Franchise Act, other divorce laws, and legislation pertaining to man and wife. The present bill is intended to "round out", so to speak, equality of domicile as between man and wife.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The Attorney General is not here. There may be a Divorce Act but I really did not know we had one.

Hon. R. B. BENNETT (West Calgary): I may say that I am familiar with this legislation, and have discussed it with the hon. gentleman who has just spoken. It seems to me that if this bill should be given its first reading we could, on the second reading, make such explanation as will enable the House to be seized of the whole circumstances.

Motion agreed to and bill read the first time.

CIVIL SERVICE SALARIES

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): I should like to ask the Minister of Justice a question, but seeing that he is not in his seat I will direct my question to the Prime Minister. Some time ago I asked the government to advise the House with regard to the report on the revision of the salaries of the civil service. I have asked that question on numerous occasions, but nothing definite has yet been brought down. I now have a telegram from Mr. C. Gardiner, general secretary of the Amalgamated Civil Servants of Canada, dated from Regina and addressed to myself, which reads as follows:

Amalgamated Civil Servants of Canada request immediate publication of the Civil Service Commission's report on salary revision and personnel boards. Request also staff side representation on Civil Service Commission when present vacancies are being filled.

I do not know whether the Prime Minister is ready to make a statement to-day, but as to the first part of this telegram, regarding the Civil Service Commission's report on salary revision, I think the House is entitled to a statement pretty soon. That matter has been standing for some considerable time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think my hon. friend is mistaken in saying that this matter has been standing for some time. It has been standing a few days.

Mr. STEVENS: Quite a number.

Mr. MACKENZIE KING: A committee of council has been considering this report but unfortunately it is difficult to get a complete meeting of the committee just at the moment. I think I can promise my hon. friend that during the present week there will be plenty of opportunity to consider it. I would not like to say that the report itself will be published for some days to come, but the government will make an effort to have it considered forthwith.

Mr. STEVENS: Just a word of explanation. I do not wish to appear as being too unreasonable, but I would direct the Prime Minister's attention to the fact that it was, I think, in March that this question was brought up first.

Mr. MACKENZIE KING: It was in March that the question was brought up, but I think I am right when I say that it was only within the last fortnight that the report itself was made.

FISHERY AND FOREST AIR PATROLS

On the Orders of the Day.

Mr. W. G. McQUARRIE (New Westminster): May I be permitted to ask the Minister of Marine and Fisheries whether he is aware of the strong objection which has been aroused in British Columbia to the abandonment of the air patrol of the British Columbia salmon fishery areas. I would direct the attention of the minister particularly to a leading article which appears in the Vancouver Morning Star of 27th April, last. The Star, by the way, is a paper which supports the government. I will not attempt to read this article because it is quite lengthy, but I would crave the indulgence of the House while I read the headlines. They are as follows:

Salmon Fisheries in B.C. imperilled by lack of planes

Enforcement boats outstripped by fishing vessels of double speed—Poachers use unchartered waters—Lack of communication, with inexperienced crews on patrol boats, leave great areas at the mercy of violators—Replacement of three planes by seventeen additional seaboats boosts cost from $18,000 to $30,000, while service rendered is not comparable.

I should like to ask whether the minister is considering replacing the air patrol service? I can assure him from my information that that patrol service has been very effective.

Mr. A. W. NEILL (Comox-Alberni): Before the minister answers I should like to add my confirmation to what the hon. member for New Westminster has said. The seaplane service was by far the more efficient.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): I may say, Mr. Speaker, that the matter has not come directly to my attention, but I will be only too pleased to investigate it and consider it most favourably.

Mr. J. A. CLARK (Vancouver-Burrard): More or less in the same connection may I ask the Minister of National Defence if it is a fact that the air station at Jericho, in Vancouver, is being closed, and the cruising of timber in British Columbia also abandoned?

Hon. R. B. BENNETT: Before the hon. gentleman answers, Mr. Speaker, I should like to put a question in regard to the High River station about which I received a telegram only yesterday. There seems to be very great apprehension on the part of many citizens there that the forest protection service, which has been so efficient in days gone by, is going to be abandoned.

Hon. E. M. MACDONALD (Minister of National Defence): The whole question of the air service for Canada during the coming season is now under consideration. It is being given careful attention by the department.

AUDIBILITY OF DEBATE

Mr. ROBERT FORKE (Brandon): We have not heard anything at this end of the chamber of what has been going on; we do not know anything about it. I suppose we shall find by reference to to-morrow's Hansard what has happened.

Mr. BOIVIN: The hon. member has not missed much.

PRIVATE BILLS

SECOND READING

Bill No. 93, to incorporate the Canadian Dexter P. Cooper Company—Mr. MacLaren (for Mr. Hanson).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GRAIN IN STORAGE—GOVERNMENT ELEVATOR EDMONTON

Mr. GARDINER:

1. How many bushels of wheat of each grade were there in storage in the Dominion government elevator at Edmonton at the beginning of the crop year 1924-25?
2. How many bushels of wheat of each grade were there in storage in the Dominion government elevator at Edmonton at the end of the crop year 1924-25?

Hon. Mr. ROBB:

1. Nil. The elevator commenced operations in October, 1924.

2.

Dried one northern	4,590–50
Dried two northern	7,759–50
Two northern	9,012–30
Three northern	7,000–00
No. 4 wheat	57,605–50
Feed wheat	737–00
Rejected wheat	1,236–20
Smutty wheat	661–20
No grade wheat	6,297–10
Total	94,900–50

STEAMSHIP SERVICE BETWEEN CANADA AND CUBA

Mr. ARTHURS:

1. Are the following ships: Emperor of Havana; Emperor of St. John; Emperor of Fredericton; Emperor of Montreal; Emperor of Midland; carrying on a service between Canada and Cuba?
2. Were these ships formerly the property of the Canadian Merchant Marine? If so, what were their respective names at that time?
3. What was the cost of each, and the price at which each was sold?

Hon. Mr. DUNNING:

1. Yes. These ships have been utilized in a service between Canada and Cuba during the past winter.

2. (a) Yes.

(b) Emperor of Havana, formerly Canadian Sailor; Emperor of St. John, formerly Canadian Warrior; Emperor of Fredericton, formerly Canadian Sower; Emperor of Montreal, formerly Canadian Trader; Emperor of Midland, formerly Canadian Adventurer.

3. Canadian Sailor, cost $690,409.84, sold for $40,000; Canadian Warrior, cost $819,671.26, sold for $40,000; Canadian Sower, cost $716,856.63, sold for $40.000; Canadian Trader, cost $686,905.38; sold for $40,000; Canadian Adventurer, cost $717,467.49, sold for $40,000.

SHIPMENT OF HORSES FROM SASKATCHEWAN

Mr. ROWE:

1. Was an experimental shipment of horses made from the province of Saskatchewan to any other country during the year 1925?
2. Where were the said horses purchased?
3. By what government official were they purchased?
4. What prices were paid for said horses and what were the names of the parties from whom they were purchased?
5. From what point were they shipped?
6. What was the point of destination to where they were shipped?
7. In whose charge was this shipment made?
8. Is the man in whose charge they were placed a neighbor of Honourable Mr. Motherwell?
9. Have all the horses been sold?
10. If not, what has become of the balance of said horses?
11. What is the name of the man who was sent in charge, and his present address?
12. What was the total cost of transportation and all other expenses connected with the said consignment?
13. What was the total amount received from the sales of said horses?

Hon. Mr. MOTHERWELL:

1. Yes, an experimental shipment of horses, largely for advertising purposes, was sent to Europe in 1925.

2. In Saskatchewan and Alberta.

3. Mr. Jack Byers and Mr. R. E. Wilson, assisted by the provincial veterinarians of Alberta (Dr. Talbot), and of Saskatchewan (Dr. McLellan).

4. From Mr. D. J. Wylie, Maple Creek, Sask., 36 head at $35 each; from Olaf Olafson

of Mortlach, Sask., 7 head at $35 each; from Jas. Jackson of Orion, Alta., 1 at $75, 1 at $70, 1 at $35; from Fred Goodner, Orion, Alta., 1 at $52.50; from H. G. Rogers, Orion, Alta., 1 at $55; from Pete Crabb, Orion, Alta., 2 at $70, 2 at $50, 1 at $40, 1 at $55, 1 at $90, 1 at $75; from Pete Strand, Orion, Alta., 1 at $55; from Harry Peck, Orion, Alta., 2 at $75; from J. P. Biesterfeldt, Manyberries, Alta., 2 at $70; from Lawrence Biesterfeldt, Manyberries, Alta., 2 at $75; from Rex Peacock, Maple Creek, Sask., 1 at $70, 2 at $75, 1 at $65, 1 at $60; from H. H. Fauquier, Maple Creek, Sask., 2 at $55; from Geo. R. Hammond, Maple Creek, Sask., 1 at $45; Jack Redhead, Maple Creek, Sask., 1 at $40; Bridge Hartley, Maple Creek, Sask., 1 at $65, 3 at $70; E. Birchell, Maple Creek, Sask., 1 at $70; Harry Dowkes, Maple Creek, Sask., 1 at $70; J. J. Wilson, Maple Creek, Sask., 1 at $55, 1 at $50, 1 at $30, 1 at $25; Olaf Finneteg, Maple Creek, Sask., 2 at $65.

5. Moose Jaw, Sask.

6. Rotterdam, Holland.—It should be stated, however, that when it was first decided to undertake this experimental shipment of horses, it was intended to land them at Hamburg, Germany. After the ocean space had been booked, however, Germany announced the imposition of a duty on horses of 500 gold marks per head, which, at 24 cents, amounts to $120 per head. It was felt that this duty was prohibitive, but, inasmuch as the horses had been bought, and space contracted for, that the shipment should go forward, but to a different destination, and Rotterdam was, we were advised, probably the next best market. Arrangements were therefore made to ship the horses from Hamburg on arrival, to Rotterdam, Holland.

7. Mr. Jack Byers.

8. No.

9. Yes.

10. Answered by 9.

11. Mr. Jack Byers, Valjean, Sask.

12.

Freight	$ 5,426 50
Feed en route	1,342 59
Insurance, marine	319 00
Salaries and wages	1,500 35
Living and travelling expenses	3,922 86
Feed, stabling, drugs, extra help and sundries in Germany and Holland.	11,411 57
Sundry Supplies in Canada	220 02
	$ 24,142 89
Buying price of 84 horses	4,032 50
Total	$ 28,175 39

13. Disposal:

Sold in Europe	82	$7,181 00
Sold in Canada	1	80 00
Died in Europe	1	—
Total	84	$7,261 00

NOTES:

1. The figures given in the replies to questions 12 and 13 are subject to revision, as some of the accounts are still being adjusted.

2. The low prices at which these horses had to be sold and part of the expenses are attributable to several causes, the principal being:—

(a) The putting into effect of the new duty of 500 gold marks on horses entering Germany as at October 1, 1925, the anticipation of which had caused the German market to be overstocked with horses from all sources of supply previous to the date of going into effect of the new duty.

(b) The failure of forage crops in German territory adjacent to the Dutch and Belgian frontiers, with the result that horses in this territory were thrown on the market owing to lack of feed.

(c) The smallness of the shipment made it hardly worth while shipping the horses for marketing to Czecho-Slovakia or Russia where there seems to be the greatest demand.

(d) Shortly after arrival epidemics of ringworm and influenza broke out among horses, and practically closed off all sales, at same time running up expenses. Nevertheless, much advertising was done and Mr. Byers visited various countries getting in touch with governments or horse men, and induced many prospective buyers to visit the stables in Rotterdam with a view of giving them some idea of the type of horse available in Canada. As a result of this advertising, a number of inquiries have come forward from European countries, and one firm in Canada has several contracts under consideration for a large number of horses for delivery this year and next.

MOTOR TRAFFIC BETWEEN CANADA AND UNITED STATES

Mr. WOODSWORTH:

1. According to provinces, what is the total number of American motor cars that crossed the Canadian boundary from the United States to Canada in 1925?

2. According to provinces, what is the total number of Canadian motor cars that crossed the Canadian boundary from Canada to the United States in 1925?

Hon. Mr. BOIVIN:

Province	Foreign automobiles reported inwards for touring purposes during year 1925	Canadian automobiles reported outwards for touring purposes during year 1925
Nova Scotia	694	42
Prince Edward Island	20	.....
New Brunswick	488,430	4,653
Quebec	255,914	49,330
Ontario	1,521,277	95,793
Manitoba	24,563	4,390
Saskatchewan	5,841	2,823
Alberta	8,617	781
British Columbia	123,788	65,267
Total	2,429,144	223,079

MARKING OF ENVELOPES

Mr. SEGUIN:

1. Has anybody lodged a complaint in regard to the Post Office Department allowing on envelopes, which are in circulation throughout the country, the following words in both French and English: "Help to stop forest fires"?

2. If not, why does the said Department not take advantage of the new postage stamp issue in order to make them bilingual; thereby putting into practice the official use of the two languages in this country?

Right Hon. Mr. MACKENZIE KING (for Hon. Mr. Lapointe):

1 and 2. Dies bearing the words, in both French and English: "Help prevent forest fires," are in use at Montreal, Quebec and Trois Rivieres. At other points throughout the Dominion the die is in English only. The Post Office Department is not aware that any complaint has been lodged in regard to these arrangements.

UNOPPOSED MOTIONS FOR PAPERS

ORDERS IN COUNCIL PASSED IN 1925

Sir HENRY DRAYTON:

For a return of all orders in council passed in the calendar year 1925.

He said: I suggest that the motion pass subject to an arrangement to be made between the Prime Minister and myself. I have gone partially over the list, and will take it up and complete it later.

Mr. DEPUTY SPEAKER: Dropped.

Sir HENRY DRAYTON: No; I should like the order to issue subject to an arrangement to be made between ourselves as to what orders in council will be covered by the order.

Mr. MACKENZIE KING: Carried in respect of those.

Motion agreed to.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Friday, April 30, the debate on the motion of Hon. J. A. Robb (Minister of Finance), that the Speaker do now leave the chair for the House to go into committee of Ways and Means and the proposed amendment thereto of Hon. R. J. Manion.

Mr. GEORGE W. McPHEE (Yorkton): Mr. Speaker, the debate was adjourned by the hon. member for L'Assomption-Montcalm (Mr. Seguin) and I did not expect to be called upon at this early hour in the afternoon. However, before discussing the matter which is now engaging the attention of the House, namely the budget and the amendment, permit me to offer a few observations with regard to an address delivered in this House last Tuesday evening by the hon. member for Frontenac-Addington (Mr. Edwards). The manner in which the words were used would leave no doubt in our minds that the hon. gentleman expected a reply. Lest there be some misunderstanding with regard to what the hon. gentleman stated, let me read into my address the record of what was said by the hon. member:

Mr. Edwards (Frontenac): My hon. friends should not say "hear, hear", because if they were at all generous they must have recognized the fact that a large part of my time was taken up in what I believe was a fruitless effort in trying to force some common sense into heads which, so far as we have been able to judge, have shown no sign of possessing that desirable quality. I have not much hope that what I have said, and the instructions I have given, will have any effect, because you have to plant seed in fertile ground if it is to produce anything, and there is no fertility over yonder; there are no brains to furnish the necessary soil to produce results. I can only leave the matter with them, hoping against hope that Providence, which has done so much for the Liberal party, will still exercise its beneficent influence and furnish some of the gentlemen of the kindergarten school with what they so much need, a little common sense and ordinary brain power.

Now, Mr. Speaker, the word kindergarten naturally associates itself with infancy and youth, and as I listened here with some patience, and I must admit with some degree of irritation, my mind went back to my college days, and I remember committing to memory the reply of William Pitt to Walpole, and the words so aptly suit the present occasion that I may be permitted to repeat them. The reply was:

The atrocious crime of being a young man, which the hon. gentleman has with such spirit and decency charged upon me, I shall neither attempt to palliate nor deny, but content myself with wishing that I may

be one of those whose follies may cease with their youth, and not of that number who are ignorant in spite of experience.

Whether youth can be imputed to any man as a reproach, I will not assume the province of determining: But surely age may become justly contemptible, if the opportunities which it brings have passed away without improvement, and vice appears to prevail when the passions have subsided. The wretch that, after having seen the consequences of a thousand errors, continues still to blunder, and whose age has only added obstinacy to stupidity, is surely the object of either abhorrence or contempt, and deserves not that his grey head should secure him from insults.

Much more is he to be abhorred, who, as he has advanced in age, has receded from virtue, and becomes more wicked with less temptation; who prostitutes himself for money which he cannot enjoy, and spends the remains of his life in the ruin of his country.

The late Joseph Howe, the great Nova Scotian statesman and orator in his fight against the old, entrenched, aristocratic family compact of his day had to put up with taunts similar to those which we have been subjected to and in replying to an hon. gentleman this is what he said on one occasion:

The hon. gentleman appears to have leaned over the Castalian spring.

The spring in fable that served a double purpose for the shepherds; they could mirror their faces in the water and also drink the water. Howe continued:

And the hon. gentleman appears to have leaned over the Castalian spring not to slake his thirst or arrange his robe to set off the harmonies of nature, but to fall in love with his own image and die with admiration of himself.

The hon. member for Frontenac-Addington is a Tory in the true sense of the word. He believes absolutely in the principle of protection, political and otherwise. Hon. gentlemen remember the other evening when he was hurling his insults across the floor of the House at us, one of our members asked you, Mr. Speaker, to intercede and prevent him from continuing in that strain. What was his reply? It was: "I want you, Sir, to protect me." Protect him for what? To protect him, to close our mouths, so that in a protected field he might hurl across the floor of this House at us the putrid broth of his distorted imagination.

Now let us proceed with the matters under discussion.

Mr. HOCKEN: Having got that off our chest.

Mr. McPHEE: We will get a little more off before we are through. Since the House opened on 7th January, there have been several inconsistencies on the part of hon. gentlemen opposite.

An hon. MEMBER: More quotations.

Mr. McPHEE: You will get more quotations too, that is if my hon. friend will understand them. There have been several inconsistencies since the 7th January. In the first place you remember that in the debate that featured the early portion of the session, the hon. member for South Wellington (Mr. Guthrie), who is the chief financial critic of the opposition, in addressing this House, made this dramatic pronouncement:

I submit that no member of this House should look beyond the question in the resolution; but if we are tempted to go beyond it, if we are tempted to consider ulterior results, then let me say this in the presence of my leader and with his authority, that if this motion carries, if this government resigns, and if he is called upon to form a govenment in this House, he will undertake the task. He will undertake to carry on that government from session to session without dissolution.

That was the statement made by the hon. member for South Wellington at the time he was asking the support of our good Progressive friends to turn the government out of office. But what did he do a month afterwards? We find the same hon. gentleman making this pronouncement:

I ask the Progressives whether they will join us and send the whole question back to the people for a solution at a general election.

And when I heard the hon. gentleman make that statement I said to myself, "Consistency thou art a jewel." The amendment which is now before the House is another of these inconsistencies. We all remember that on January 18, of this year, in speaking on the Address in reply to the Speech from the Throne and in discussing the question of a tariff advisory board the right hon. leader of the opposition made the following remarks:

Whatever may be said for a tariff commission, there is need—

Some hon. MEMBERS: Order, order.

Mr. McPHEE:

—of no tariff commission to inform this House, or to inform any fair-minded man or woman, that agriculture to-day, in respect of the tariff, labours under a disability, and a disability which it is the duty of this House at once to remove.

If that principle is true with regard to the disability which my hon. friend pictured in his mind that agriculture suffered under, why is it not true with regard to the automobile industry? In this House a whole afternoon and an evening were spent in discussing the question of the reduction in duty on automobiles, and the figures quoted are sufficient to prove to any reasonably-minded man that this House, according to the dictum of my hon. friend in regard to the duties on agriculture, should

at once have taken the step and reduced the duties on automobiles instead of waiting for a tariff commission.

The figures quoted by the hon. member for Saskatoon (Mr. Young) when the resolution with regard to reducing the duties on automobiles was before the House, showed with respect to the profits made by one manufacturing concern in this country that an enormous toll was paid by our people to one protected industry. On an original investment of $62,500, without any addition of capital, this company in twenty years paid to its stockholders in dividends $12,851,238. But this is not all. The statement which they have given to the public shows that they have invested in their business $31,275,530 and not one cent of additional capital except what the company earned was put in. Therefore, instead of the profits being $12,851,238, the total profit made amounts to $44,126,768 on an original investment of $62,500. I am not one who would criticise any industry on any profit it can legitimately make; but when an organization of this kind in supplying a commodity so largely used as the cheaper priced car is protected by a protective tariff of 35 per cent and is thus enabled to bleed users and purchasers of these cars to such an extent as to make the profits which this company made, I rise in protest against that tariff being continued.

Supposing there was no duty on automobiles coming into Canada, what would be the cost to us? The Ford coupe in Detroit costs $500. If you add $12 for excise tax that makes a total of $512. The Canadian sales and excise tax would then add 10 per cent to the value, or $51.20, bringing the total cost up to $563.20. The Canadian selling price before the reduction in duties was $714.88 according to the booklet distributed by the Ford Motor Company among members of this House. That is, before the duty was reduced we were paying $151.68 extra price on the same car. That amount of $151.68 left in the pockets of every owner of a Ford car in Canada would be a nice contribution to the prosperity of this country as it would result in an increased purchasing power amongst a widespread number of people from the Atlantic to the Pacific.

Those opposed to the reduction in the duty on automobiles point to the pay-roll and they make the bold statement that if the duty is reduced these companies will go out of business. Will they? The same argument was used twenty years ago in 1897 when the Fielding tariff was brought in placing 160 articles, including binder twine, barbed wire and cream separators, on the free list. Have these companies gone out of business? Statistics to-day show that these companies have increased and their business has increased during those twenty years. I think it is a safe statement to make that the cheaper you make a commodity the more extensively it will be purchased. A demonstration of this principle is to be found in the history of the Post Office Department. Hon. members will remember that in 1897 when the then Postmaster General reduced the rate of postage from three cents to two cents there were those in this country who said that our revenues would be crippled. But the result was that previous annual deficits of three-quarters of a million were at once turned into surpluses. Five years afterwards, in 1902, the Post Office Department had the first surplus of more than $5,000 over its operating expenses, and these surpluses went on increasing until, when the Liberal government went out of power in 1911, the annual surplus was upwards of $1,000,000.

The same principle holds true in regard to all the great business enterprises in the world. Henry Ford realized that himself in the great industry which he established. He was, of course, a pioneer in his line; he believed in the principle that lower prices would increase production, and as production increased, Ford's prices were reduced. The latest statistics we have show that in 1924 we had 653,121 cars in operation in Canada. The proposed reduction on motor cars if applied to that number would mean a vast saving to the people, a saving that would materially increase their purchasing power, and that increased purchasing power would add much to the general prosperity which is now in evidence from the Atlantic to the Pacific.

Mr. CHAPLIN (Lincoln): Did the hon. gentleman say that the production of Ford cars in Canada was 600,000 in 1924?

Mr. McPHEE: I made no such statement. I said that statistics showed that 653,121 cars were in operation and the reduction proposed if applied to that number of cars would mean a great saving to our people.

That brings us down to the question of protection and I am sure my hon. friends across the way will relish the next morsel which I propose to give them. A year or so ago the Canadian Manufacturers' Association circularized the manufacturers of the Maritime provinces with regard to the question of tariff duties and I wish to quote the reply which they received from Mr. Angus McLean of Bathurst, New Brunswick. We notice that

our friends the Canadian Manufacturers' Association did not spread this letter very freely throughout the country. He was circularized with others to find out his opinion with regard to this matter of tariff protection and this is a portion of Mr. McLean's letter:

"The principal difficulty we have to face," said Mr. McLean, "is the high cost of protection, brought about by too much tariff protection on Canadian-made goods."

Mr. McLean by the way is one of the largest lumber and pulp men in the Maritime provinces.

We find that almost invariably the Canadian manufacturers charge the Canadian consumer the foreign price plus the protection they enjoy under the tariff. Until the Canadian manufacturer is brought to realize that this is taxing the consumer in the most unfair way and changes his ways we are going to have to struggle and work hard to carry on business in the Maritime provinces. Our chief products are from the farms, forests, mines and seas and we must find a market for those products outside Canada. What we must have to become prosperous is an opportunity to buy our requirements cheaper than we can under a protective tariff; and, next, we need broader markets for the things we produce.

Commenting on this letter the Manitoba Free Press had this to say:

What the busy and devoted secretary of the Manufacturers thought of this communication can be left to the imagination; doubtless he rent his clothes and put ashes on his head. Mr. McLean is, it may be accepted, regarded as an economic heretic, a lost soul.

What did the leader of the opposition (Mr. Meighen) himself say with regard to this matter of high tariff and protection a few years ago in this House? Turning back to Hansard of 1920 at page 2708 we find that he is reported as having used these words:

We never can have a high tariff in Canada. We cannot have a high tariff in Canada for the most obvious reasons. In the first place, a high tariff is unsound in principle in that it tends to eliminate one of the factors of competition, namely, foreign goods.

And further on:

So I say we cannot have any immediate or high tariff for the reason, first, that it tends to exclude that healthy element of fair conditions, namely, foreign competition; secondly, we have in Canada a territory of wide extent. We have one portion of Canada, newer than the other portion, a more predominatingly agricultural country, newer to manufactures and industrial development, and consequently the advantages of the tariff do not accrue to them as yet as they ultimately will accrue to them. They come more immediately to one portion of this country than to another. On account of these two reasons we must always have in this country nothing more than a moderate tariff under any conditions whatsoever.

In view of that pronouncement of the leader of the opposition (Mr. Meighen) six years ago in this House, on what ground does he advocate to-day a tariff wall in this country brick for brick with that of the United States, the most highly protected country in the world? A few days ago the hon. member for Cumberland (Mr. Smith) made the statement that the industries of Canada were going down, and he instanced some in his own province which had gone out of business entirely. He left the inference that the people engaged in the textile industry in the Maritime provinces had emigrated to the United States and that the United States so far as textiles were concerned was in a flourishing condition. Now I have here an article which appeared in a western newspaper a few weeks ago and which analyses the textile industry in the United States so convincingly that I cannot do better than place a portion of it on Hansard. It is headed "Textiles under High Tariff." Within quotation marks there appears the following slogan:

What are we striving for? More bread and butter, more bread and butter.

The editorial then goes on:

This is the chant of the striking textile workers in New Jersey. All day long the refrain comes from the throats of pickets. Imagine such a condition of affairs in one of the highest protected industries in the United States! How could there be a strike? Do not our Conservative friends tell us that a high tariff wall insures plenty of employment and big wages? We heard a good deal of that gospel during the federal election campaign last year. Nothing could save the textile business of Canada unless this country imitated our neighbour and increased the duty on the imported article. The fact of the matter is the textile workers in the United States are not on full time and have had their wages reduced because the selling price of the commodities they produce is too high for the consumer to pay. There is no other explanation.

Tariff protection for any business is a sort of legal permission for the manufacturer of articles so protected to add the amount of the import duty to his own catalogue figures and put the additional profit into his own pocket. The worker may get a little of it for a time. But as soon as the limit of the consuming public's purchasing power has been reached the demand drops. So there is no benefit at all to the worker and the slump hits the producer fairly quickly. This has happened across the border. Protection is running true to form—it is not protecting.

What about Canada's textiles under a low tariff? Take the case of Penman's, Limited, of Montreal and Paris, Ontario, on the strength of the firm's annual statement just issued. This concern operates a string of factories in Ontario and Quebec and the year which has just closed is described as one of the most satisfactory years in its history. It is a well managed and conservatively financied company, and, as a matter of fact, a similar state of affairs in industries which are complaining of conditions, as a contemporary points out, "might be productive of a rather different tone to that from which so much political capital is being made."

In the year reviewed by the statement referred to the Penman company has increased its sales by over a million dollars, increased its operating profits by nearly $50,000, and, after laying aside a substantial

sum for depreciation and bad debts, has added $100,000 to its net assets. On top of all it has paid its regular dividends and a bonus of two per cent to its common shareholders.

A similarly satisfactory year has been experienced by the Belding-Corticelli company. Both gross and net earnings showed considerable improvement over the previous year. Earnings applicable to the common stock amounted to 20.6 per cent and compare with 9.3 per cent earned in 1924. The statement likewise shows an increase in the working capital which now stands at well over $1,000,000; the amount standing at good will account has been reduced from $700,000 to $500,000. And total profits for the year amounted to $345,853 as compared with $254,771 in 1924.

There are other equally convincing proofs that Canadian business continues on the up grade. The country refuses to lie down and die because Mr. Meighen warned it that it would if it did not elect a Conservative government. Every month reveals new progress. And our high tariff advocates have a good deal of explaining to do in connection with the country's textile industry in view of what is happening in New Jersey.

The Conservative party in Canada in trying to bolster up a protective tariff for the benefit of the manufacturers endeavour to make the farmer believe that protection will operate to his advantage as well. Will it? We exported from Canada for the year ending February last, according to the figures I got from the Statistical Bureau, 6,803,437 bushels of potatoes. Will any sane man argue that by putting a protective tariff on potatoes coming into this country we can add one single cent to the return which Canadian farmers receive from their exportable surplus of potatoes? The hon. member for West Essex (Mr. Gott), in a speech in the House some time ago, said that we imported $451,999 worth of potatoes. Suppose we did: these potatoes were consumed by people along the border and they were brought into Canada at a time between crops when we had no potatoes in this country. But, I repeat, will any sane man contend that the imposition of a high duty on potatoes coming into Canada will serve to increase the price received by Canadian farmers for the 6,803,437 bushels which they exported?

Take wheat. We exported last year, during the same period I have mentioned, 239,295,927 bushels of wheat. The same principle applies in this case: why should we place an increased duty on wheat coming into Canada when we export that enormous quantity ourselves and when our price for wheat is controlled by the conditions prevailing in the world's market?

The same thing is true again of butter. We exported last year 25,598,527 pounds of this commodity; we exported 1,486,118 hundredweight of cheese, and 2,495,063 dozen eggs. Canada, therefore, is a large exporting country, and in face of that fact we are asked to submit to a protective tariff which ostensibly will be of no benefit to our farmers who are exporting on this scale.

What has protection done for the farmers in the United States? Some hon. gentlemen opposite argued the other day that the American farmers had prospered under high protection. Well, let me quote an article which appeared in one of our newspapers recently under this heading:

The United States farmers revolt against protection.

The article reads:

That the farmers of the American west are now in revolt against the Fordney-McCumber Tariff Act is not hard to understand.

Mr. CHAPLIN (Lincoln): What paper is that?

Mr. McPHEE: The Manitoba Free Press.

Mr. CHAPLIN (Lincoln): Oh.

Mr. McPHEE: I presume if I quoted from the Mail and Empire or the Telegram or the Orange Sentinel my hon. friend would say Amen. However, to proceed:

By tradition low tariff men, they became, in 1920, protectionists overnight. They were told, and apparently believed, that high tariff duties on agricultural products would bring them boundless prosperity. Now, after five years of experience, they find agriculture almost on the verge of collapse.

The farmers in the corn belt have an enormous surplus of corn and are many of them in real distress. Of what avail to them is the tariff duty on corn? No corn is likely to be imported into the United States in the course of a century because domestic production far exceeds domestic consumption. A considerable portion of the corn crop is exported either as corn or meat, and the domestic price seldom rises above the export level.

And what is true of the corn grower is true of the cotton planter and the great bulk of farmers in the United States. They are less concerned about the theory of protection than they are about their present condition. High tariff duties were to make them rich, and after five years of experience they find themselves poor.

The big farm organizations are unanimous in saying that whatever benefit may be conferred upon the farmer by high tariff duties on agricultural products is taken away from him threefold by the higher prices which he has to pay for everything he buys, from aluminum to zinc. They blame this, not so much upon the tariff duties themselves, as upon the monopolies which have grown up under protection. It is a revival of the Iowa idea which led to a wholesale revolt of the farmers against the Payne-Aldrich tariff law some 15 years ago. This present day revolt of the American farmer against the tariff is not to be under-rated. It is not under-rated by men like Senator Capper, of Kansas, a lifelong protectionist, who voted for the Fordney-McCumber Tariff Act. He warns the manufacturers of New England that the whole protective system may be swept away by a western tornado unless the east consents to an immediate downward revision of the tariff.

So much for tariff protection to the farmers of the United States. I hope this information

will not be lost upon those in this country who would like to inflict similar disabilities upon our agriculturists.

Now, Mr. Speaker, some time ago I gave certain figures in regard to the loss sustained by the Winnipeg Hydro-electric system in relation to their plant, and I wish to place on record the editorial that I then had reference to, because my remarks were questioned by the hon. member for Victoria (Mr. Stinson), and I want to put him right. The editorial reference is headed "A theory bowled over by the facts":

Persons who listened during the late election campaign to the argument that a higher tariff would not mean an increase in the cost of living in Canada will be interested in what took place at the meeting of the Winnipeg city council held last Monday night. If they came out of the federal election campaign with an idea that the argument advanced by Mr. Meighen and his friends was well founded they might put the theory up against the facts as they came out in an actual business transaction. The Swedish company which tendered on two generators for the city of Winnipeg's hydro plant offered to supply them at a price that was $15,000 lower than the tender of a Canadian firm. Sweden, of course, is a long way from Canada. Before it can get its generators into Canada the Swedish firm will have to pay duty to the Canadian government at the rate of 27 per cent, or a total in this case of about $30,000. The Swedish firm will also have to pay transportation on the ocean from Sweden to Canada and on a Canadian railway from the port of entry to Winnipeg. The firm is to do all these and yet is able to effect a saving of $15,000 to the people of Winnipeg.

Was there any doubt in this case about the benefit of outside competition? By buying this particular machinery outside of Canada at the price quoted the people of Winnipeg are saved $15,000, the Canadian government gets $30,000 duty to help in tax reduction and the railways get the benefit of the long haul from the port to Winnipeg. Faced with these facts, one of the aldermen, a supporter of Mr. Meighen, too, said that he could not vote to keep the contract in Canada under the circumstances. To bar foreign competition, he said, would be to leave the city in the hands of the Canadian manufacturer.

A tariff that would bar foreign competition would cost every Canadian citizen more money to live just as in this case the barring of foreign competition would have cost the city of Winnipeg an extra $15,000. If the council had gone back on the principle which the majority stood for on Monday night it would mean that every time the city went into the market for machinery it would pay the highest instead of the lowest price. Over a course of years this would run into thousands of dollars which would come out of the pockets of the consumer and the taxpayer. Most of these will agree that they are already paying about all they can stand.

On that occasion the hon. member for Victoria immediately contradicted me. He said that this machinery was not manufactured in Sweden at all, but in Canada. I was not in a position to dispute his statement, although I was aware of the integrity and reliability of the newspaper from which I quoted. My hon. friend spoke last Friday in this debate, and no doubt in the interval he had ascertained the facts, and I think he should have had the decency to put those facts on record in his latest speech. After his contradiction I endeavoured to get in touch with the parties concerned, and knowing that the hon. member for North Winnipeg (Mr. Heaps) was a former member of the Winnipeg council I asked him to write and ascertain the facts for me. I have before me this letter in reply written by the chief engineer of the city of Winnipeg hydro-electric system:

Replying to your telegram of the 19th instant, the list given below shows the tenders received for 2—6500 K. V.A. generators for the Pointe du Bois Plant:

Swedish General Electric Ltd..	$143,700,000
Canadian General Electric Co., Ltd..	159,200,000
Canadian Westinghouse Co., Ltd..	161,000,000
C. A. Parsons Co., Newcastle-on-Tyne.. ..	159,200,000

The contract was awarded to the Swedish General Electric, Limited, on November 30th, 1925, and the machines will be manufactured in Stockholm, Sweden.

If there is any other information you would care to have in connection with this contract we would be pleased to let you have it at once.

Not content with that, I wrote to the agency of the Swedish General Electric Co. in Toronto, and the letter which I received from them, dated February 19, confirms the information given to the hon. member for North Winnipeg. Now I put these figures on record and repeat the statement which my hon. friend from Victoria contradicted, and I ask him to make whatever apology he deems fit in public decency for calling in question the facts when I first submitted them to the House.

Before dealing with the budget, Mr. Speaker, let us consider briefly the legislation which has been before the House for some time. It has been said by some members that this is sectional legislation. Let us examine some of it. Old age pensions—is there any one in this House who will say that that is a sectional matter? Every province will benefit by this legislation provided it takes advantage of it. I know cases in my own constituency of men who were pioneers, who cleared the land and raised large families, and who now in the twilight of life, through no fault of their own, find themselves almost the subjects of charity. Is there any reasonable, sane citizen to-day who in this country of prosperity, individual and collective, would deny to these unfortunate people the right to have their declining years made as happy as possible? Revaluation of soldier settlers' land—surely that cannot be termed a sectional matter. It is applicable to every soldier settler from the Atlantic to the Pacific. Settlement of crown lands—that possibly is somewhat sectional, for the Dominion crown lands are largely in west-

ern Canada. Those are fertile lands and simply require to be cleared. Cut in the western country the Canadian Pacific Railway Company have seen fit to invest, I should judge, in the neighbourhood of one thousand to fifteen hundred dollars on certain quarter-sections of their land to convert them into what they call "ready-made farms." They build a small house and a small stable and fence the quarter-section. These improvements make the "ready-made farm" attractive to the settler. Well, if it is good business for the Canadian Pacific Railway Company to do that, is it not equally good business for the Dominion of Canada to spend a similar amount of money in making our crown lands more attractive to settlers?

The next matter I wish to discuss is the Hudson Bay railway, with regard to which we have had some very conflicting statements. I have in my hand some of the statements made by the hon. member for South Winnipeg (Mr. Rogers) at his nomination convention in the city of Winnipeg last fall. He said that increased immigration and the completion of the Hudson Bay railway were two of the needs of western Canada which the Conservative party would remedy. The right hon. leader of the opposition, speaking in Regina, said that Canada is too vigorous, too virile and too proud to see the Hudson Bay railway carried to within seventy or eighty miles of completion, and then left, a spectacle to the world. We were told, during the campaign in Yorkton, that the Conservative party should be credited with the construction of the Hudson Bay railway; my opponent said the railway was started by a Conservative government, and made the boast that it would also be completed by a Conservative government. Bearing that in mind, Mr. Speaker, it was rather disquieting to read in the newspapers during the recent by-election in West Middlesex a statement made by the hon. member for South Oxford (Mr. Sutherland). He is a good stalwart Conservative, and in regard to the Hudson Bay railway is reported to have said:

4 p.m.

> That is the whole substance of this by-election and it is up to the electors of West Middlesex to decide on this change of platform which has as its main plank the expenditure of some $30,000,000 or $40,000,000 on a Hudson Bay railway, which can be of absolutely no use to us and which may not be a particle of use to the people of the west. We must not be selfish, but, until we are satisfied that this project and its great expenditure is feasible, it should not be started at this time of heavy tax burdens. If you vote for J C. Elliott you are committing yourselves to the spending of nearly $3,000,000 for over ten years for Mr. King's special little railway

[Mr. McPhee.]

On the platform with the hon. member for South Oxford was the hon. member for Marquette (Mr. Mullins), a colleague of the hon. member for South Winnipeg, but the newspaper account makes no mention of any protest by the hon. member for Marquette.

Mr. MULLINS: Would my hon. friend say what paper he is quoting from?

Mr. McPHEE: I do not know; it was in all the newspapers of eastern Canada.

Mr. MULLINS: I would like to know.

Mr. BROWN: Did I understand the quotation from the speech of the hon. member for South Oxford to be that he questioned whether the road would be of any use to the people of the west?

Mr. McPHEE: Yes.

Mr. BROWN: I can hardly understand that, because at a picnic in my constituency he made the statement that the feasibility of the Hudson Bay railway had been proven for a hundred years.

Mr. MULLINS: I would like to ask the hon. member to name the paper from which he is quoting. I will abmit being on that platform.

Mr. McPHEE: That is sufficient for my argument. My hon. friend will have an opportunity later on to make a speech.

Mr. MULLINS: If my hon. friend would wait for my statement in regard to my stand on the question of the Hudson Bay railway, he might find it as explicit as his own.

Mr. McPHEE: Mr. Speaker, I refuse to have my hon. friend interrupt me for the purpose of making a speech; I do not mind answering a question. However, that is not all. We have the Ottawa Journal, a Conservative newspaper, making some statements in regard to the Hudson Bay railway which are rather at variance with those made by the hon. member for South Winnipeg and by his leader, which I would like to make a matter of public record. My first quotation is from an editorial appearing in the Ottawa Journal under date of March 17, 1926:

> The first monetary instalment upon the Progressives' price for keeping the King ministry in office was paid in parliament on Monday. It was in the form of $3,000,000 in the estimates for the Hudson Bay railway. It is $3,000,000 thrown at icebergs, seals and wolves.

Some hon. MEMBERS: Oh, oh.

Mr. McPHEE: I think I had better read the rest of the editorial.

> Canada is still burdened with railway deficits. Our Transcontinental, built specifically to haul grain, gets

comparatively no grain to haul. Our ports of Quebec, Halifax, and St. John, into which we have put millions, are largely unused. Most of the wheat of Alberta, and some of the wheat of Saskatchewan, now goes through the port of Vancouver. In addition we are putting more millions into the harbour of Prince Rupert; rebuilding the harbour of Quebec; propose spending $55,000,000 more on the Welland canal; and talk about deepening the St. Lawrence waterway.

Nine million people, with a debt of $2,300,000,000, plus staggering provincial debts, plus war-peak taxation, are faced with these realities. Yet here we have a government, just returned from a smashing at the polls, brazenly proposing to extract $3,000,000 from the taxpayers for an insane railway project, so that it may mock the public will and purchase retention of office.

Yet, Mr. Speaker, the hon. member for South Winnipeg and the hon. member for Marquette stand as dumb as oysters and permit this Conservative organ of eastern Canada to make that statement unchallenged.

At a time when debt reduction is vital, when decrease of taxation is our more challenging need, we are being plunged further into a morass which has already swallowed twenty millions and which, on a conservative estimate, will swallow thirty millions more.

The "patient oxen" of the Scripture had nothing on the people of Canada. Yet there is a limit. And the limit has been reached, we think, when a government begins using the public's money to scoff at the public's verdict.

Again I ask if the hon. member for Marquette and the hon. member for Winnipeg will endorse that editorial. I have another editorial from the same paper under date of February 12, 1926:

Of all the asinine reasons advanced for completion of the Hudson Bay railway—and their number is legion—the lowest in intelligence is that it was begun by the Conservatives. As a matter of plain record, it was begun by the Liberals. In 1910 the Laurier government started it by building the swing bridge to The Pas, over the Saskatchewan river, and in 1911, just prior to the general election of that year, let to J. D. McArthur the contract for the first section of the Hudson Bay railway, 185 miles. It was largely to pay for this work that the Conservatives were called upon to vote over $3,000,000 in 1914.

But what does it matter now who started it? Is it to be seriously argued that just because Liberals and Conservatives sanctioned something years ago that has since been demonstrated as folly that the folly must be persisted in?

The people of Canada are not now much concerned with the Hudson Bay railway's origin. They are concerned to see that thirty millions of good money is not thrown after twenty millions of bad money; and their concern will not be appeased by tu quoque arguments about the parties responsible for the evil.

Again I ask those hon. members if they assent to those statements which appeared in this Conservative paper. The Hudson Bay railway is by no means a sectional proposition. It is a necessity, and time will demonstrate that it will work to the benefit of Canada as a whole. I have here an article reporting certain statements made by Senator Robertson in the city of Toronto some little time ago, which sets out fairly the facts in regard to the future of that road. The article is as follows:

The senator said that completion of the line would make it possible to tap the iron ore deposits of Belcher island and would provide a route whereby that iron can be taken to the coal fields of Alberta. Belcher Islands are on the east side of Hudson bay, north of James bay. Their iron mines, says, the story in the Toronto Star, "furnish ore that is said to be higher in quality than the mines that furnish the ore for Bessemer steel. It has a 62 per cent content of hematite as compared with about 50 in the American mines. It can be economically handled in Alberta, where there is coal, gas and oil in large quantities, making the sort of industrial proposition which made Great Britain an industrial nation. The climate of Alberta is also milder and conditions are ideal for industrial development."

In the course of the interview, Senator Robertson provided an answer to the question: "Is another outlet needed?" He is quoted as saying that when the big tracts of northern farm land are opened up there will be more grain than existing routes can handle. Then "the Hudson Bay route will be imperative." The senator predicts also the development of a water route between Port Nelson and Moose Factory, at the south end of James bay, "which will connect the heart of the west with Ontario and Quebec with cargoes moving both east and west."

One could go on and enumerate the advantages of the completion of the Hudson Bay railway to the people of the whole of Canada, but the matter will no doubt be threshed out more fully when the resolution dealing with the Hudson Bay project is before the House.

The hon. member for North Oxford (Mr. Sutherland), in addition to criticizing the Hudson Bay railway, had some things to say in the House a few days ago with reference to western Canada. Here is what he said on that occasion:

This budget as a whole is what might be termed a Saskatchewan budget. That statement deserves a little explanation. The general policies in Saskatchewan seem to be policies of annihilation and assassination rather than protection—

What did the hon. member mean when he made that statement. What are the policies in Saskatchewan that are policies of annihilation and assassination?

Mr. SUTHERLAND (North Oxford): Free trade.

Mr. McPHEE: We have in Saskatchewan a province that is second to none in Canada from an agricultural point of view, and in every other way. Let me give my hon. friend a few statistics. I will quote from the Monetary Times, and I do not suppose the hon. gentleman will offer any objection to my authority. That paper says: That the gross debt per capita in the province of Saskatchewan is $66 and the net debt $33. The gross debt per capita for Ontario is $87, and the net debt is $30. In the province of

Saskatchewan we spend per capita $4 on education. Only one province in Canada spends an amount higher than that, and that is the province of British Columbia. The per capita expenditure of British Columbia for that purpose is $6.64; in Saskatchewan it is $4, and in Ontario $3.38. We have an educational system in Saskatchewan that is equal to any in Canada. No other province in the Dominion, no state in the American union, has on its statue books more advanced legislation for the general benefit of the great mass of the people than has the province of Saskatchewan. How, then, does my hon. friend get away with the statement that the policies of Saskatchewan are those of annihilation and assassination?

Mr. SUTHERLAND (North Oxford): The hon. gentleman has enumerated provincial policies. I have no objection to them; it is when you come down here with your national policy of free trade that I object.

Mr. McPHEE: We will analyze the statement a little further. There is one species of human being in Saskatchewan we do annihilate and extinguish; it is the species of Tory we see down in this part of the country. The former hon. member for Regina, Mr. Darke, in the address he delivered here before he resigned his seat, made the statement that there are Conservatives in Saskatchewan, but added that if you want to see a real Tory in action you have to come to this House. That is one species that we in Saskatchewan absolutely desire to exterminate, a species of Tory that is unknown to the zoology of Saskatchewan or the good common sense of her people.

Mr. SUTHERLAND (North Oxford): You exterminate them with a political steam roller.

Mr. YOUNG (Saskatoon): No; the Tory just naturally dies out there.

Mr. McPHEE: The hon. member for Toronto West Centre (Mr. Hocken) in a speech last week advocated the imposition by the government of an import tax on American publications coming into this country. For what purpose? There are good American magazines. Personally, I have taken the National Geographic Magazine for the last ten years and find it a splendid magazine. Why does my hon. friend want these magazines prohibited from coming into Canada?—because that will be the effect if the duty is increased. If my hon. friend and his associates would advise the Canadian people to get good material for reading instead of spreading throughout the country reckless Tory propaganda that is so obnoxious to a large proportion of the Canadian reading public, it would not be necessary for them to come to this parliament and ask for an increase in the duty on American publications. Here is an example of the kind of sentiment the hon. gentleman is trying to spread throughout the country. I have here an editorial taken from the Orange Sentinel of February 23, 1926, and I will read it slowly so that my hon. friends can drink in the full effect.

An hon. MEMBER: They are all teetotallers.

Mr. McPHEE: This is how it reads:

> Prime Minister W. L. Mackenzie King was elected in Prince Albert, Sask., with a majority of over five thousand. That did not startle the country. Anything less than five thousand majority would have been surprising. Mr. King has the honour, if it be such, of representing a constituency stretching up to the Arctic circle, and with a voters' list that reads like a directory published in some city of the Ukraine. One poll which The Sentinel had an opportunity to examine contained 178 names, only two of which were English and about seventy-five per cent of them ended with "sky." It is rumoured that the Eskimos voted solidly for the Prime Minister, and the "sky's" were ninety-nine per cent in his favour. There was great rejoicing about it in Ottawa on the night that his success was announced. But in the quiet midnight hour, when W.L.M.K. finds it hard to get to sleep, it must be somewhat depressing for him to think that he had to go to the last north and find a constituency on the northerly boundary of the northern province of Saskatchewan in order to get a seat in the House of Commons, whence he can give leadership to the sixty-one French-Canadians who form two-thirds of his party in the House.

And yet the editor of the newspaper that published that libel on the people of Saskatchewan and on the people of Canada comes here and asks the government to place an import duty on American literature and keep it out, in order that he may spread such kind of propaganda as this through his advertising columns. I should like to make a fitting reply to such action, but in the mood in which I find myself I am afraid I might say something for which I might afterwards be sorry.

Mr. McQUARRIE: Do not worry.

Mr. McPHEE: Instead of doing that I will give the well-considered opinion of a newspaper editor of high standing in this country, the editor of the Saskatoon Star. Here is his reply to this editorial, and to other articles of a similar nature, which have appeared in the Toronto press:

> Saskatchewan has many citizens who were born in foreign countries and is proud of the industry they have shown in their private affairs and of the public spirit they have shown in their relations with the people of native or British stock. In Saskatchewan

no distinctions are made, so harmoniously do the various elements in the province's population live together. Here all are Canadians, citizens of the Dominion.

Elsewhere in this country no such broadminded and tolerant notions prevail. Since the Prince Albert by-election which sent Mr. Mackenzie King back to parliament, certain newspapers published in central Canada have repeatedly sneered at the character of Saskatchewan's population and insulted the intelligence of Saskatchewan electors. One writer referred to the "middle-European aspect of the voters' list" in Prince Albert riding. Another said the significance of the by-election was that Mr. King had to go to the least British of all the constituencies to find a seat. These, however, are mild statements, comparatively speaking. One Conservative journal published in Ontario was kind enough to say that the vote of a bull moose or jack rabbit would be as intelligent politically as the votes cast by some Prince Albert electors.

It may appear superfluous to answer this sort of thing with statistics, but a few numerical facts may be illuminating if they reach the notice of the scoffers at Saskatchewan. Census bulletins published since 1921 deal with such matters as school attendance and literacy in that year. Here are some census findings: The percentage of children between seven and fourteen attending school was 88.85 in Saskatchewan, 91.87 in Ontario. Of the whole population over ten years old 93.47 per cent in Saskatchewan and 96.55 per cent in Ontario could speak English. Of the whole population over five years old 87.85 per cent in Saskatchewan and 92.99 per cent in Ontario could read and write.

There is a small difference in Ontario's favour in each instance, but Ontario has centuries of history to Saskatchewan's decades, Ontario is more densely populated, it contains fewer remote and new settlements. The insults to Saskatchewan occasioned by recent political events are not justified by the facts of the situation. But they are more than mere errors of statement. They show a contemptibly mean and narrow concept of Canadianism.

And I wish, Mr. Speaker, that some of our editorial writers in the editorial sanctums of Toronto would take this article to heart. The hon. member for East Algoma (Mr. Nicholson) in the course of his address the other day, made the statement that nobody would invest a dollar in Canada under the present government. He said:

> The two things we require in Canada in order that we can make out of this country what it is designed to be is, first, people and, second, capital, but this whole plan is devised to make it impossible for any man who has money to put it into Canadian industry because he is penalized the moment he does so whether he is a Canadian or not.

Before replying to that statement permit me to read another statement which he made. He said:

> Why, one industrial city the size of Hamilton consumes more beef cattle in a single year than the whole Dominion exported last year, and that was the greatest exporting year we have ever had.

Let us reason out the last statement before we undertake to analyze the first. That is the statement that the city of Hamilton or a city of that size consumed more beef cattle in a single year than was exported from Canada during last year. What are the figures? For the year ending March 31, 1926, we exported beef cattle, one year old and upwards to the number of 228,107. By packing house experience and by butchers' methods, I am told by the statistical branch that the average weight per head of these is 450 pounds dressed beef. Then 228,107 cattle at 450 pounds each dressed beef would make the amount of 102,648,150 pounds of beef. The population of Hamilton was 114,151 at the last census. That would mean, if my hon. friend's statement was correct, that each man, woman and child in the city of Hamilton used per year 900 pounds of beef. There are 365 days in the year, and I suppose in Hamilton, as in other places, they are not all meat eating days either. Therefore each man, woman and child in that city would consume per day on an average two and a half pounds of beef Just imagine, if you can stretch your imagination to that extent, in the city of Hamilton the aged man and woman in the twilight of their days, the middle-aged man and woman, the sun-kissed maiden and the stalwart youth, the babe on its mother's knee, all vieing with one another, munching beef in this meritorious task of extending the home market in Canada. That leads me to the conclusion that the author of this statement of the beef eating proclivities of the citizens of Hamilton will go down in the public records of this country as the greatest beefer in the political life of the Dominion.

Mr. BEAUBIEN: Would not the number of pounds consumed per head be greater, if we accepted the statement of the hon. member who said that our artisans are moving away by the hundreds?

Mr. McPHEE: Yes, and I think it would also do away with the egg market in Canada. Bearing that statement in mind, let us examine the other statement by the hon. member, that nobody would invest a dollar in industries in Canada under this government. What are the newspaper reports for the last two months in that regard? Let me put a few of them on record in answer to my hon. friend. The first I put on record is of April 15, 1926, from Fredericton, N.B.

> April 14.—The agreement under which the International Paper Company will develop Grand Falls, on the St. John river, was completed here late this afternoon, and now bears the signatures of the presidents of the International Paper Co., and the Fraser Companies, A. R. Graustein and Archibald Fraser, respectively.
>
> Under the provisions of the agreement a block of 20,000 horsepower—13,000 primary power and 7,000 secondary power—is reserved for the Fraser companies,

who will embark in the newsprint business with the construction of a 200 ton daily capacity mill on the Restigouche river, at or near Campbellton.

The International Paper Company will also take out a paper manufacturing charter in New Brunswick. These and other industrial developments now scheduled for immediate undertaking in New Brunswick involve expenditures running, it is estimated, to from twenty-five to forty million dollars.

Another quotation, from Sudbury, Ontario, March 29—and if I mistake not Sudbury is not far from where my hon. friend from East Algoma comes. It reads as follows:

Sudbury, Ont., March 29.—An important announcement respecting the future development of the nickel industry in Sudbury district was made at the Rotary luncheon to-day by J. L. Agnew, president of the International Nickel Company, who said that the development of the Frood mine, situated one and a half miles from Sudbury, would commence July 1 next with a force of 250 men, which would be gradually increased until the peak production, for which hoisting equipment is to be provided, will engage from 1,800 to 2,500 workmen. The total expenditure called for is $8,000,000. The speaker said it was not the intention of his company to build a townsite at the mine, but rather that it was the wish that they reside in Sudbury where all facilities in the way of public utilities and educational institutions are already available. It would, however, necessitate a considerable home-building programme and add several thousands to the town's population.

Let me read a few more. This is from Hamilton under date of February 9:

Indication of improved industrial conditions in Hamilton was given to-day by the National Steel Car Co., here, in announcing that the plant was working upon the largest single order ever received. The company is building for the T. and N.O. railway three steel coaches and six steel baggage cars. The C.P.R. has ordered fourteen steel coaches, ten first-class coaches for smoking cars, eight buffet parlor cars, ten tourist cars, and 315 freight refrigerator cars. Both orders are for delivery early in the summer.

This is dated New York, February 8:

The outright sale of the ten million dollar bond issue recently floated here for the Manitoba Power Company, by Kissel, Kinnicutt and Company, was reported to-day.

Proceeds of the sale are to be used by the Canadian concern for the erection of new projections in the western province.

This is dated Montreal, February 8:

Confirmation of the coming establishment of a new artificial silk industry at Drummondville was given to-day by two organizers of the Canadian Celanaese Limited, Dr. Rene Clavel, of Basle, Switzerland, and Charles L. Auger, president of the Dominion Silk Dyeing and Finishing Company, of Drummondville, Quebec.

The building and plant equipment will cost $7,000,000, it is said.

This is dated Port Arthur, March 28:

Announcement is made that a 60-ton per day sulphide plant is to be added to the Thunder Bay Paper Co., here, supplementary to the 400-ton paper mill announced, would be built in consequence of timber limits having been obtained from the Ontario government. Work is to be started on the sulphide plant as soon as ground conditions are suitable this spring. Construction will give employment this summer to between 300 and 400 men.

This is dated Quebec, March 28:

The sale of 4,200 square miles timber limits at the legislative buildings on Saturday brought an additional revenue of $500,000 to the province.

The next one is dated Montreal, March 28:

The annual financial statement of Consolidated Mining and Smelting Company of Canada, Limited, for 1925 shows, after all charges properly applicable to earnings before dividends, net profits $11,215,316, or nearly one and one-quarter millions above the highest of recent estimates.

The last one I will cite is dated Toronto, April 28:

Announcement was made here to-day that the Spruce Falls Power and Paper Company, Limited, had been granted a provincial charter for operations at and near Kapuskasing, Ont., involving an investment of $25,000,000.

And so on all along the line. These are only a few of the statements appearing in the public press showing that this country is going ahead industrially and agriculturally and that all along the line we have prosperity and progress. The beacon lights of general prosperity are burning from the Atlantic to the Pacific, while in this House of Commons of Canada we find some of our Conservative friends fiddling and the hon. member for East Algoma (Mr. Nicholson) engaged in the Herculean task of trying to drive down the throats of the unsuspecting citizens of Hamilton the whole exportable surplus of Canadian beef.

Just a word or two with reference to the budget and its provisions. Is there anything in the budget brought down by the Minister of Finance (Mr. Robb) anything that would injure any portion of Canada? The reduction in the duty on automobiles, the reduction in the postal rate, the reduction in the income tax—all these are for the benefit of the whole population of Canada. Our hon. friends from the Maritime provinces have this further advantage under the budget, namely, that the preference extended to Great Britain can be taken advantage of only if the trade comes through Canadian ports so that this will benefit more materially the Maritime provinces. Can hon. gentlemen from the Maritime provinces, who realize in their hearts that the budget proposals are in their best interests, vote for the amendment which is after all the shadow while the budget is the substance?

What do the people of Canada think about the budget? Let me read a few brief editorial

references from east to west. This is from the Vancouver Province:

Among post-war budgets, the one presented yesterday is notable for several reasons. It shows a country swinging upward on a wave of prosperity. It shows increasing trade and buoyant revenues. It indicates an honest and successful effort to meet and clear off a portion of our accumulated obligations, and it gives evidence on the part of the government, of a desire to meet the wishes of the Canadian people for reduced taxation. . . . Altogther, the budget is one which does credit to the government and the Minister of Finance, and should prove highly popular in the country.

This is from the Calgary Herald:

The Herald repeats that the government has taken a step in the right direction. The immediate effects of lower taxes will be appreciated. The new policy will probably not affect the national revenue, as more money will be released for productive activity. That has been the experience of both the United Kingdom and the United States.

This is from the Winnipeg Tribune and I am sure the hon. member for South Winnipeg (Mr. Rogers) will appreciate anything that appears in the Winnipeg Tribune:

The budget produced by Mr. Robb yesterday is excellent in some respects. It provides the taxpayers of the Dominion with much needed relief, and in direct form so that the relief can be appreciated.

The article goes on to enumerate the reductions and then it says:

All these are reductions of which the country will most heartily approve. The budget is obviously a bid for popularity and in a degree a successful one.

This is what the Edmonton Journal says:

Mr. Robb's budget was full of agreeable surprises. He was expected to reduce the income tax, but on nothing like so extensive a scale as he has done, while in addition we are to have two cent postage again, beginning with July 1, the receipt tax is abolished, the automobile duties come down, and relief is given to the taxpayer in numerous minor respects. . . . Under the circumstances, the ministry is to be especially commended for doing the right thing. The benefit accruing to the country will be far-reaching. . . . As for the general effect of the lowering of taxation, in developing a better spirit throughout the country, in encouraging fresh enterprize and in making the Dominion more attractive as a field for settlement and investment, it is bound to be very great.

Just one more quotation. This is from the Vancouver Sun:

With the first real, Liberal-minded budget since pre-war days, the Mackenzie King government is to-day sitting on top of the world in Canada. Reduction in income tax, two-cent postage, elimination of the receipt tax, further exemptions in the sale tax and the reduction of automobile tariff will create a great wave of public approval throughout the Dominion.

In conclusion let me say as regards some of my hon friends across the way: Around them at the present time the political black robe is about to be wrapped; their funeral requiem is being sung; for some of them the wake is being held, that is for those who will vote against the provisions of the budget, and there will be for them no political resurrection when they go to the country and when the public intelligence of the electors of Canada will carry them and what remains of the old Tory party to the grave of their political incapacity, infidelity and imbecility, unwept, unhonoured and unsung.

Mr. HARRY J. BARBER (Fraser Valley): Mr. Speaker, I am sure the hon. member for Yorkton (Mr. McPhee) must feel better. I know if I had that much on my chest I would certainly feel better after having had an opportunity of relieving myself of it. We have listened patiently to the arguments advanced by our friends opposite in support of the budget as brought down by the Minister of Finance (Mr. Robb) a few weeks ago, and if the government's case is no stronger than the hon. member for Yorkton has presented it, then I am afraid they will fail to convince this House and the people of the country that the present budget is in the general interests of Canada.

Before proceeding to a discussion of the budget itself I want to refer for a moment or two to some remarks made by the hon. member. He told us that the Prime Minister (Mr. Mackenzie King) had experienced some trouble in Prince Albert, but he did not mention the fact, as rumoured, that the right hon. gentleman had desired the constituency of Yorkton but had found the price a little too high. That is what we understand.

Mr. McPHEE: I rise to a point of order, Mr. Speaker. No such proposition was ever made by the leader of the government as the hon. member seeks to imply. No suggestion of the kind was ever discussed or even thought of.

Mr. BARBER: The hon. member himself referred to a lot of rumours and this one we believed was well founded. However, I am quite ready to withdraw the remark.

Mr. ROBB: I do not want to break the thread of the hon. gentleman's remarks, but I must point out that he has said either too much or too little. If he cannot go further than he has gone I would suggest that he withdraw the insinuation entirely.

Mr. BARBER: I am quite willing to withdraw it, Mr. Speaker. But there are so many reports current, and this was one of them.

Mr. MACDONALD (Antigonish): It is absolutely without foundation.

Mr. ROGERS: He only gave it as a rumour.

Mr. BARBER: The hon. member for Yorkton brought up the question of bargaining between groups in this House, and I shall refer to the matter later on. For the moment I may observe that the budget now before us has been described variously throughout the country as a Robb budget, an election budget and a Forke budget. As I see it, it seems to me that portions of it may well be termed an election budget, while in other respects it may be described as a Forke production. What have we witnessed in this House since the seventh day of January? We have seen a government which was defeated at the polls bargaining with groups in parliament and even sacrificing the principles of the Liberal party as laid down by its great leaders, in order that hon. gentlemen may retain office. And the present budget I consider another bid on their part for support. The hon. member for Yorkton denied that there was any significance in the talk about bargaining between groups. I have here a clipping from a Toronto paper dated Toronto, March 28, which reads in part:

J. S. Woodsworth, Labour member of parliament for Winnipeg North Centre, in a speech at a labour gathering here Saturday night, stoutly denied that Labour's representatives in the federal parliament had entered into any agreement with the Liberal government.

Mr. Woodsworth said the fact that the Conservatives and Liberals at Ottawa were evenly balanced had helped labour tremendously in getting what it wanted. If, he said, there were 12 Labour members at Ottawa, instead of two, the Labour men would be in a position to get almost any legislation they wanted.

Claims Credit for Pensions

Mr. Woodsworth considered the old age pensions bill was a Labour victory.

I do not intend to deal with the question of old age pensions, and as a matter of fact I had little opportunity to discuss the bill when it was before the House. But I may tell the hon. member for Yorkton that he is no more anxious to see the aged of Canada cared for than we are on this side, although I fear that a host of them will have passed to the great beyond before there is any relief from this piece of legislation now before parliament.

The budget, I say, is another bid for support. The reduction in income taxation and the favourable trade balance are heralded by the government as evidence of prosperity in Canada at the present time, but I think the Prime Minister would find it difficult, if he made a tour of Canada, to convince twenty-five per cent of the people that they are enjoying prosperity at this moment. We have had ample testimony to the contrary from farmer members who have been deploring conditions during the session. Indeed, all the evidence goes to show that the farmers as a class are not prosperous. Furthermore, thousands of labourers are leaving the country, and that is no indication of prosperity among the workingmen. The firm of Penman's has been referred to; it is about the only textile industry which has been mentioned in this House. But if any hon. member will go through some of the smaller towns in the province of Ontario he will find numerous mills which have gone behind over $40,000 during the past year. So that there is no great prosperity in that direction either.

That part of the budget providing for a reduction in income tax cannot, in my opinion, be called a Forke budget if what I read in the press is anywhere near correct. I have here a clipping which reads:

When the Canadian Council of Agriculture met the Cabinet the other day the members, expressed themselves strongly against the reduction in the income tax.

Last year according to recent figures there were exactly 3,061 farmers in Canada paying income taxes, and the sum total they paid was $162,000. This chicken feed was contributed by 530 Ontario agriculturists, to the amount of $19,351. In Quebec 42 paid $3,775, which was just about half the sum that British Columbia farmers paid. In the Canadian west farmers appear to have a reasonable view in respect to their responsibilities. In Saskatchewan 1,492 farmers paid $70,956. In Alberta 663 farmers paid $49,894, though Manitoba fell down with only 171 farmers paying $6,303, but this was nearly twice what Quebec paid. . . . .

In 1925, 168,000 persons employed in non-agricultural occupations contributed to the income tax collected $13,973,000.

In 1924 Ontario and Quebec paid $44,000,000 out of the total of $56,000,000 paid in income and war taxes.

And this brings up another question. If the government proceeds to rip the vitals out of industry who is to pay the taxes? Where is the government to find that six or seven hundred million dollars necessary to meet the yearly liabilities? Land taxes look to be in sight.

The budget, in so far as it affords relief in connection with the income tax and postage, has been well received throughout the country. The reduction in income taxation is welcome even though it is rather late in coming; the fact is that the people have been anxiously looking forward for four long years to some relief in this respect. If the people have been obliged to practise economy in order to make ends meet and to discharge their obligations to the state, they are perfectly reasonable in expecting that the government of the country shall also economize. Has there been any attempt on the part of the government to retrench? The government last year spent more than they did the year before, and according to the announcement made by the Minister of Finance, with the legislation before the House and the supplementary esti-

mates, the expenditure will be still greater this year. In the last four years millions of dollars have been expended on unnecessary public works, abortive royal commissions, worthless immigration schemes, and if present reports are correct, millions of dollars have been lost through the lax administration of the Customs department. All these unnecessary expenditures have been incurred in spite of the statement in the Speech from Throne:

> Every effort will be made to reduce expenditures.

We are certainly not disposed to bestow much credit on the government for the taxation relief announced in the budget. Without doubt the most important factor in our financial success of the last fiscal year has been the bountiful grain crop. I think the hon. member was right when he said that Canada had been blessed with a kind Providence during the past year. This enormous crop, in addition to the very large exportations of raw materials, has no doubt accounted for the surplus.

What have other countries been doing while Canada has been standing still? Let me quote the remarks of President Coolidge in presenting the 1925-26 budget to congress:

> The establishment of a system of drastic economy in public expenditure which enabled us to pay off about one-fifth of the national debt since 1919 and almost cut in two the national tax burdens since 1921 has been one of the main causes in re-establishing prospertiy.

The Australian commonwealth in four years reduced its income tax by forty-seven per cent, calculated on a per capita basis. New Zealand for the year commencing April 1923 reduced its income tax by 20 per cent, except on incomes derived from debentures; in 1924 this reduction was increased to 33⅓ per cent. Its net debt was reduced in the three years from 1921 to 1924 by about $55,000,000. Then we have Great Britain struggling under her enormous war debt. Let me quote from the budget as brought down by the Chancellor of the Exchequer a few days ago:

> Mr. Winston Churchill was able to tell that British trade was improving, that the nation was richer than last year, that the exchange rate was being maintained, that return to the gold standard had made for stability, that the bank rate was no higher than before the war, and that prices were not increasing. More than that, England, during the past six years, had reduced her floating debt by over $3,000,000,000.

I also note that the excise profits tax put on in 1915, with an assessment ranging from 50 to 80 per cent, was terminated in 1921. During all this time no great effort has been made by this government to reduce our national debt or our taxation. On the contrary, after increasing the sales tax from three to six per cent, they merely reduced it to five per cent. They imposed a new tax on receipts, and increased the cheque stamp duty.

No doubt the return to penny postage will be popular with all classes, but I regret that no provision is made for a corresponding reduction in the rates of postage on drop letters and postcards. I have always understood that the Post Office was never intended to be a revenue producing department. Therefore I hope the reduction in the postal rates will not interfere with the continued efficiency and further extension of rural delivery, and that the department will not be forced to continue its policy of employing underpaid rural mail carriers.

The Minister of Finance points to a large and favourable trade balance, but he does not add that large numbers of our people have not been able to share in the wealth produced by our expanding trade. Naturally, our raw materials figure largely in these exports, for instance, agricultural products, the products of our forests, pulpwood and pulp, and the products of our mines; these make up the bulk of our exportations. I will not attempt to analyse all the figures relating to our export trade, but will confine myself to our exports to one country. I do so because this branch was referred to particularly by the Minister of Public Works in the course of his speech last week. I mean our trade with Japan. It is very noticeable, Mr. Speaker, that whenever oriental matters are mentioned at Ottawa, immediately oriental propaganda is set in motion at the coast. I have before me a clipping from a Liberal paper in the city of Vancouver, of a report which appeared in its issue about two weeks after a certain resolution was placed on the order paper. It is all the more remarkable that the statistics quoted by the Japanese consul are similar to those used by the Minister of Public Works the other day. I am sorry he is not in his seat, for I should like to know from him why he did not quote the figures for 1925. No doubt he confined himself to those for the preceding year because 1924 was one of the biggest years of business we have ever had with Japan. In 1924 our exports to Japan were $26,991,860; whereas for 1925 they had dropped down to $22,046,486. I have received from the department of Statistics a copy of the figures sent to the Japanese consul in Vancouver, and they are

for 1925. The Vancouver paper to which I have referred headed its report in this way:

Japan spends $25,163,278 in Dominion—Vast Trade Growth Between Two Countries Shown—Consul's Statement—Country Favours Canadian Products, Figures Reveal.

I have analysed the figures sent to the Japanese consul in Vancouver, and the larger items appearing as exports comprise the following:

Wheat	$ 6,735,859
Cattle hides	192,089
Cedar and other logs, shingle bolts	1,545,422
Wood pulp	2,421,824
Aluminum in bars	1,517,814
Lead in pigs	2,504,952
Zinc spelter	1,988,139
Raw asbestos	321,322
Total	$17,227,421

So we have this substantial proportion representing raw materials out of a total of $22,050,721. As to wheat, I see by a report from Japan that the Japanese are now raising about 25,000,000 bushels per year, and every effort is being made to increase the production. An application was made to the governing board this year by the agriculturists of Japan to impose a higher duty on foreign wheat, and it was explained that the day was not far distant when they would be in a position to raise sufficient grain to supply their own requirements. Included in that list of exports is an amount of $104,137 for flour. That is all the flour manufactured from our wheat which was exported. We find the list of imports largely made up of foods and supplies for the Japanese who reside in the province of British Columbia including ale and beer $9,810; spirituous liquors $52,661; fruits $167,615, as well as items such as dried fruits, beans, corn, peas, rice, and vegetables in cans. We also imported from this cheap labour country $65,244 worth of incandescent lamps, an import which I believe materially affects one of the industries in this province. I have given this simply as a sample of what the balance of trade really means. We are exporting our raw material in order to make up this so-called favourable trade balance.

One of the main points of the budget is the reduction of the tariff on automobiles, to which the last speaker devoted a considerable time. I believe the term I mentioned earlier in my remarks might well apply to this subject—the Forke budget. The credit for this resolution goes not only to hon. gentlemen to my left, but also to hon. members from the province of Saskatchewan. We admit that Saskatchewan should receive some special consideration at the hands of this government; having produced not only the largest crop of grain but also the largest crop of cabinet ministers of any province in this Dominion. They have no doubt promised their constituents that they will bring back the bacon, in the shape of cheaper automobiles; their speeches fairly bristle with automobile statistics. We are of the opinion that the Prime Minister allowed himself to be swayed by the third party which has everything to gain and nothing to lose in these tariff reductions. I would like to draw the attention of the House to the fact that this is only the beginning; it has already been intimated that other cuts will follow, and we may expect the boot and shoe industry, the cotton goods industry, the furniture industry and others to receive similar treatment to that accorded the automobile industry.

I stated that the government was forced into line by the Progressive party. They were apparently forced by some party, because we find that during the last election campaign the Prime Minister stated on numerous occasions that there would be no further reduction in the tariff until a tariff commission had investigated those industries likely to be affected by such reductions. When this House met we were presented with a Speech from the Throne, in which the government expressed themselves very clearly, as follows:

5 p.m.

-that changes in the tariff should be made only after the fullest examination of their bearing upon both primary and manufacturing industries and that representations requesting increase or decrease of duties should be made the subject of the most careful investigation and report by a body possessing the necessary qualifications to advise the ministry with respect thereto. A Tariff Advisory Board will accordingly be appointed forthwith. This board will be expected to make a careful study of the customs tariff, the revenue to be derived therefrom and the effect of the tariff and allied factors on industry and agriculture.

The Prime Minister kept his word and appointed a tariff commission, whose duty it would have been to advise the government on this very matter. Then came the budget, with its drastic cut in the import duties on motor cars and accessories, affecting one of our greatest industries. Did this tariff board inquire into the matter before action was taken? No; this was one time the Prime Minister broke his word and did not keep his promise to the people of this country. He failed to have the board investigate this industry. That should have been done, and if it were found that the automobile industry was making too great a profit, a reasonable cut in the tariff could have followed.

The Minister of Finance, in introducing this portion of the budget, said:

There is a pronounced sentiment throughout Canada that the automobile industry enjoys more protection than is needed to maintain it on a reasonably profitable basis, and in deference to that sentiment we propose a downward readjustment of automobile, motor truck and motor cycle duties.

The minister seems to have acted altogether on sentiment, and I believe he is mistaken in the sentiment of the people of Canada. He may know what the people of the praire provinces think, but the pronounced sentiment of the people throughout Canada is not that the automobile industry enjoyed too much protection. In my own province, where I believe we pay more for Canadian cars than in any other province of Canada, owing to the long freight haul, the feeling is that Canadian cars are altogether too high in price as compared to those across the line. The feeling in my province is that the government should have investigated this industry long ago; its books should have been thrown open to a body of experts and the report of that body acted upon. The people of my district, and of many other districts as well, have suffered under the tariff policy of this government, but they are loyal to the core; loyal to Canada and to Canadian industry. For the sake of a few dollars on a car they do not want to see one of our greatest industries closed, thousands of workers driven to the United States, and cars imported into British Columbia from Seattle.

Many of the speakers opposite and to my left have been very unfair in their arguments in support of this budget. I would like to refer to one statement made by the hon. member for Sherbrooke (Mr. Howard). He quoted the price of the McLaughlin Buick sedan as given in an American magazine, which price I believe to be correct. If the hon. gentleman will make inquiry he will find that the advertised prices of all American cars cover the bare car at the factory. To that price must be added taxes, freight and equipment. The price of this same car manufactured in Canada was also given correctly, but why was not the hon. member fair enough to state that the Canadian price included taxes and equipment? Included in that price were the following items: extra tire $25.20; tube $4.65; chains $12; bumper $15; sales and excise taxes $135.75; freight $40; tank of gas and handling charge $10, making a total of $242.60. It must also be remembered that 40 per cent of the parts of this same car had to be imported from the United States, under a duty averaging 30 per cent. It is also admitted that the trimmings and finish of the Canadian car are very much superior to those of the American car.

It has been charged that these big firms, in their protests against this cut, have been bluffing, but I think we find as a rule that big business firms do not resort to very much bluff. The General Motors Corporation has been singled out. This is a big concern, and I find that the Canadian factory is one of twenty-eight branches. I am advised that so far as profits are concerned this branch has always ranked twenty-eighth, with the exception of one month when it ranked twenty-seventh. I have made inquiries concerning the export business and I find that this end of the industry is handled for the twenty-eight factories of General Motors through a New York organization, and that in spite of the British preference this branch lost over $200,000 on their export business last year. This is accounted for by the immense mass production of the United States, and is the reason why you can buy a McLaughlin car quite often in London for less than you can in this country. In spite of the preference, which is in our favour, the immense production in the United States enables them to sell cars more cheaply in the Old Country than can be done through this Canadian factory. I do not think there is any bluff in the matter as far as these people are concerned, because I have noticed already that a trainload of Buicks has arrived in Winnipeg from their Flint factory. There has been considerable argument advanced as to what the position of the Ford Company will be. They are not worrying, for the simple reason that the American Ford car will not be placed in the Canadian market. This is provided for by an agreement entered into at the time of the establishment of the Canadian factory when the parent company agreed not to enter the Canadian field.

Mass production accounts for the lower priced car in the United States. Here is one fact which is responsible for it: Very expensive machinery is required to stamp out several parts. On account of the cost of this machinery a certain addition to the cost of each car is made. At the Flint factory $1 is charged for the use of this machinery, whereas in Canada the charge is $60 for each car. The executives of many of these automobile concerns have unanimously reported that they cannot carry on if these tariff reductions continue in effect. From what I have mentioned already, I do not think that we can consider their representations as bluff.

Furthermore, we must take into consideration the appeals from the labour people. I have here a copy of The Labour Leader, which calls itself Canada's National Labour Weekly, and it contains an appeal addressed to the members of the House of Commons. The appeal reads as follows:

An Appeal to the Members of House of Commons of Canada

Representing, as you do, the citizens of this great Dominion, "The Labour Leader," on behalf of the men who work in the Canadian automobile factories and the various factories that make parts and accessories, numbering about 25,000, with about 100,000 women and children dependent on them, earnestly request you to refer the clause in the budget that deals with the tariff on motor cars to the new tariff commission, so that these workers may have an opportunity of placing their views before them. Gentlemen, forget your political parties, and lend a hand to these hard-working toilers.

Then we have a statement from Controller Joe Gibbons, Business Agent of the Toronto Street Railway Employees' Union. He says:

"I believe that the Dominion government should appoint a tariff commission of, say, five men—one to be a representative of Labour, and one a manufacturer. This commission to have the power to examine the books of Canadian motor car manufacturers, and as a result of their finding, to determine the tariff on imported cars and parts and to name a fair selling price for the respective Canadian-made cars."

Then we have a statement from Mr. Lew Lewis, president of the Toronto Typographical Union, in which he says:

"While the reduction in the price of small cars looked good to the worker, I believe it only fair to the workers in automobile plants that the whole question should be held for twelve months and given to the tariff commission, so that the workers of Ontario could appear before them and state their views. It is an awful thing to, with one stroke of the pen, jeopardize the jobs of 25,000 men overnight!"

The following press comment is also of interest in this connection:

The Reid Press, a large printing house in the city of Hamilton, on Monday last placed their employees on half time owing to the cancellation of some $70,000 worth of printing orders that they had on hand from the General Motors of Canada and another Toronto automobile plant. This shows the far-reaching effect of the recent tariff revision, and is another good argument to show that more careful study should be given this subject before a change is made.

What do the American people think of these tariff reductions? I have here a special wire to a Canadian newspaper from New York which says:

The proposal of greatest interest to this country, however, is the reduction of the 35 per cent duty on automobiles to 20 per cent on cars valued at $1,200 or less and to 27½ per cent on cars of greater value. To American manufacturers who have no factories in Canada the prospect for increased sales there will be welcome, but in a larger sense it is gratifying to note Canada's willingness to lower her tariff barriers against American products at a time when our own tariff policy embodies the quintessimo of selfishness.

Now this is a very important industry boasting a total production last year of $110,835,380, an increased production over the previous year of $22,000,000, an industry which paid $17,249,270 to employees during the year 1925. I should now like to quote again from what the hon. member for Sherbrooke said on Friday night. The hon. member gave the following quotation as an indication of industrial prosperity.

There were manufactured in Canada during 1925, 124,000 cars, worth $82,000,000. . . . Export shipments from Canada were the highest on record, the total value of automobiles and parts exported during the year being $39,000,000.

This is pointed out as one of the indications of prosperity in Canada, and still the intention is—according to the budget, and according to the arguments of hon. gentlemen opposite—to wipe this industry out. I cannot consider the representations made to the government and to parliament a bluff. I consider there is something to the appeal made on behalf of the automobile industry, enough at any rate to satisfy us that the case should be investigated before taking such drastic action. I have a suggestion to offer in this connection; I should like to carry the bacon home just as well as the members for Saskatchewan. The suggestion I should like to make is this: that the government amend this resolution by leaving the tariff as it was, and immediately have a thorough investigation into the whole industry commenced by the tariff commission. Let the government strike out the sales tax and the excise tax. By eliminating these two taxes, equal to ten per cent, you will have almost if not as great a reduction in the price of cars as you will have under this tariff reduction, and the industry will have a chance to survive. I have not been able to compare the new prices with the old prices of automobiles, but I have noticed the price reduction in Fords, which runs from $15 to $40. This is certainly not equal to the ten per cent reduction which would be given by the elimination of the two taxes referred to.

Now, I wish to refer to the question of immigration, one of the big problems of Canada. In this country we have a railway system, an industrial skeleton, and vast areas of vacant land, sufficient for a population twice the size we have at present. We need more people; there is no doubt about that: this government during the last four years spent millions of dollars on scheme after scheme of immigration. They spent over $3,000,000 in one year to bring in 110,000

people. What has been the result? The emigration was greater than the immigration. The policy of the government might be termed a minus instead of a plus one. It is a negative quantity; it is one of loss, not one of gain in population. Under this policy we have been unable to hold our own people. Ever since this government came into power in 1921 there has been a steady drift of population from this country to the United States. Over half a million people have had to leave their own country. They had no chance here; they loved Canada; they were the very best of our population, industrious, self-reliant, progressive, bent on making their own way in the world and providing for those dependent upon them. The half million the United States gained from Canada in the last few years are worth more to that country than four times as many people drawn from central Europe. I do not hold out any more hope for success under the present scheme of the government than has been achieved under the policy of the government for the past four years.

I wish to refer to the opinion given in the British House of Commons, by Lady Astor on April 26, as follows:

> In the House of Commons to-day Lady Astor appeared as an advocate of British settlements in the United States instead of Canada. Colonel Amery said the government had no official confirmation of the statement that the new American quota system would increase the British admissions to the States from 34,000 to 85,000. He added it was British policy to encourage migration to empire countries, but most of the emigrants to the States were industralists, for whom there was little or no demand in Canada.
>
> Lady Astor, "Are we not most fortunate in getting our industralists into America," (cries of "Oh") "so long as there is no work for them in Canada?" she asked.
>
> Kinlock Cooke, M.P.; "We don't want them to go to America."

That is the present situation and the opinion in regard to these new schemes.

There is another immigration in regard to which I should like to see the tables turned. I refer to the oriental immigration on the Pacific coast. A resolution on this subject was placed on the order paper of the House some time ago, but owing to the curtailing of private members' day it was withdrawn so that an opportunity might be given those from British Columbia to discuss this question along with the general immigration policy of Canada. For the information of those who were not in the House in 1922 when this question was thoroughly discussed and very ably placed before hon. members by the various representatives from British Columbia, I just wish to say that oriental immigration dates back to 1886. The first Chinese came into British Columbia in that year, and 90,328 had entered up to the end of 1924. Japanese immigration commenced in 1905, and up to the end of 1924 the immigration amounted to 21,706. Furthermore, 5,381 East Indians entered Canada during the same period so that up to the end of 1924 the Asiatic immigration amounted to 117,415. Consider the source of this supply—800,000,000 facing us on the Pacific slopes of this country. There are 60,000,000 in Japan, 340,000,000 in India, 400,000,000 in China. It is estimated that we have in British Columbia 50,000 to 60,000 orientals, or one in ten of our population. We cannot afford to absorb many more from such a source as this. The improved transportation facilities make this problem all the more serious. We cannot afford any longer to leave our door ajar. This is not all. What about the increase? First remember that there are twenty Chinamen to every Chinese woman, and only two Japs to every Japanese woman. The number of Japanese will soon outstrip the Chinese. The increase is hard to discover, because the white people have to register the birth of every child, while it is difficult to get a record of all the births of orientals. Oriental children do not come into the world like our own children do. We have nursing homes, doctors and nurses, but not so with the oriental: A baby is born in the gloom of Chinatown or in the solitude of a Japanese home and scarcely anyone knows anything about the event. During the ten year period from 1910 to 1920 the estimated Chinese increase was 172 per cent, and the Japanese, 218 per cent. Our best guide is the growth of the school population. I have here a report from the Minister of Education for British Columbia which reads:

> The minister stated that whereas there were 1,422 young Japs attending public schools in 1923 and 1725 in 1924 there are no less than 2,414 enrolled in 1925. The Chinese attendance, on the other hand is going down slightly. It was 1,346 in 1923 and 1,423 in 1924, but this year it is 1,313. Of Hindu children there are 26 as compared with 30 last year and 16 in 1923.
>
> The white school population, which would naturally be expected to be increasing at a greater ratio, is relatively standing still. It was 92,120 in 1923, 93,156 in 1924 and is this year 94,228. In other words, the number of white children attending the public schools of British Columbia in 1925 has increased by two and one-third per cent over 1923, while the attendance of Japanese children has increased by seventy per cent.

I present the figures of one man who has made a great study of this problem, and as to the matter of increase he states:

> With 60,000 orientals at present in our province, estimating at the present rate of increase, in thirty years from now we would have 34,882,643 orientals in British Columbia. This is not taking into account the fact that we have oriental young people growing up and that many of them will marry.

I cannot agree with this gentleman that these 35,000,000 odd orientals will remain in British Columbia. They will drift east and enter into competition in all lines of business, with the result that white labour will gradually be squeezed out in your great industrial centres. That peaceful invasion of the east has been taking place during the last few years; orientals are doing business in many of your towns and cities to-day. It is estimated that in the city of Toronto last year two million dollars was paid to Chinese laundries. I was surprised to see in Hansard of 1922, when this subject was before the House, an hon. member stated that in the city of Ottawa at that time there were 65 chinese laundries, 4 grocery stores, and 21 restaurants, conducted in such a way they could not be recognized as Chinese.

As I have said, the number of orientals in our province number one to every ten of the whites. After a few years of marriage these young orientals will increase with amazing rapidity. In California there are 150,000 Japanese with 40,000 children, and they say that in 1949 at the present rate of increase there will be enough to outvote the white population in California twice over. I am citing all these figures, not to scare hon. members with the "yellow peril", but I want the House to be impressed with the seriousness of the situation from a racial standpoint. The Americans brought the negroes over from Africa and when it was too late they tried to get rid of them, but it cost them a bloody war of four years among their own countrymen while the black man looked on. They could not send them back to Africa after they had made such increases in population, and to-day there are approximately 14,000,000 of them in the United States where they are increasing by leaps and bounds. We do not want a race war. This is more than a British Columbia problem; it is a problem that must be dealt with by Canada. We must deal with the oriental problem before we are inundated, crowded out and displaced by the flood of orientals.

One man has said: "Why not follow the example of China and build a wall around our country?" We are not asking that a wall be built; we are not asking to keep out the oriental who wants to vist our country or to do business with us, but we want the gates of immigration closed so that they cannot come here, settle and become citizens of Canada. A race which you cannot assimilate, you cannot associate with geographically. Oriental and occidental cannot successfully mix. If the oriental had been on this continent first, well and good; but it is a fact that the white man was here before the oriental. White people pioneered the great Pacific province, endured many hardships and made many sacrifices in order to build up our country. The white man developed our rich valleys and laid bare the rich resourecs of our great province. The orientals are not pioneers. They come into our developed valleys, buy land, settle, multiply, spread and cause the original settlers to sell their property at low prices and leave.

This brings me directly to the economic side of this problem. The white man cannot compete with the oriental. The oriental can stay and stick; he is the hardiest of all races in God's world; he has been hardened by 8,000 years of heartache and history. You can see the 8,000 years in their very gait. You have seen them walking in single file along the street and their gait shows that for 8,000 years they have walked the narrow passages. They have been trained to suffer hardship; they can stand extreme heat and work long hours; they have a lower standard of living, and yet the white man is put alongside the oriental and expected to compete with him. Is it any wonder that it was estimated that 18,000 Britishers left British Columbia in 1924 for the United States, while 50,000 orientals remained and partook of the inheritance that rightly belonged to our kith and kin? They have not hesitated to take advantage of the opportunity afforded them in this country. Their activities threaten the very life of the Anglo-Saxon on the Pacific coast.

One is simply astounded when the Japanese complain of their treatment by the white man in view of the treatment they mete out to the white man. Canadians are much more generous to the Japanese than the Japanese are to the Canadians. We have no sacred rights in Japan; in fact no white man has any sacred rights in Japan. Japanese in Canada have every agricultural, mineral, industrial, commercial and financial opportunity enjoyed by native-born Canadians, but no reciprocal privileges are extended to Canadians in Japan. We cannot own farm land or forests or mineral resources there. In only a few cities can we own anything and even this privilege tends to be swept away rather than to be fortified or extended. We cannot get justice in Japanese courts; Japanese jurisprudence operates in such a way that white litigants prefer to settle all cases out of court. We are discriminated against by Japanese freight boats. For example, if a white man and a Japanese ship from Yokohama to Vancouver the same quantity of rice of the same quality on the same Japanese boat, the white man will be

charged twenty per cent more than the Japanese.

It is estimated that at the present time the fishing industry is 75 per cent in the hands of the orientals. The milling industry—that is saw mills—is 75 per cent in their hands. Pulpwood, barrel staves, shingle bolts and cordwood production is almost entirely in their hands. They control and operate about 35 per cent of the logging industry. In one case in my riding a mill had been supplying the Japanese with cedar in clear cut timbers from selected logs at about $80 per thousand. They no longer purchase these timbers; they export the logs for which they pay about $18 per thousand, ship them on their own boats to Japan, manufacture them by cheap labour and export to the countries of the world. A large quantity of our best cedar is in this way being permitted to be exported to Japan and in 1925, for instance, $1,325,713 worth of choice cedar logs was taken out of our province by Japanese boats to Japan.

Truck gardening is almost entirely in the hands of the orientals. They are entering in a large way into all lines of mercantile business. They compete against our white people in the grocery, tailoring, barbering, restaurant hotel, taxi and other pursuits. They are eating the heart out of our industrial and commercial life, and more especially our heritage, namely, our basic raw materials such as fishing, lumbering, logging, farming and mining. In the agricultural industry a census was taken and the returns are accurate, being supplied by the Farmers' Institute of British Columbia. It shows that in 1920, 500 Japanese owned some 8,000 acres. 116 Chinese owned some 5,600 acres, 103 Japanese leased nearly 1,800 acres and 368 Chinese leased over 11,000 acres.

A report of the British Columbia berry growers shows that in 1920 there were 234 oriental growers occupying 970⅓ acres and in 1924 this had increased to 366 oriental growers with 1,465¼ acres. They have penetrated our best agricultural districts. In my own riding there is one of the finest districts in Canada where the chief industry is small fruits and mixed farming; it is an ideal spot for the Canadian or Britisher to make his home; but as you pass along those roads you would imagine you were traversing one of the highways of the Orient. I am told that there are about eighty Japanese on one rural mail route in this district. As you drive along the road you will pass groups of little black-headed children wending their way home from school. Every one of these families is taking the place of a good Canadian or British family and every oriental holding an industrial job to-day has chased a white man out of the country and across the line. If you replace these with white men we will retain in this country the $15,000,000 that is being remitted every year to the Orient and we shall have people who will contribute to building up healthy communities in this Canada of ours.

What is the remedy? Four years ago this question was before the House with the request that the government grant us exclusion from British Columbia of Japanese immigrants. The government at that time told us that they would give us "effective restriction" which we were assured would give us the same results as exclusion. How has this worked out? Since that year we find a steady increase in Japanese immigration. In 1923, 369 came in; in 1924, 448 and in 1925, 501. Of these 501, 182 were males, 269 females and 50 children. These are the details according to the report of the Department of Immigration and Colonization for the fiscal year ended March 31, 1925.

	Males	Females	Children
Class..	182	269	50
Farming..	93	41	7
Labouring..	51	95	13
Mechanics..	7	10	2
Trading..	16	18	2
Mining..	..	1	2
Female domestic servants	..	11	..
Unclassified..	15	93	24

As to provinces: Ontario, 3; Manitoba, 1; Saskatchewan, 3; Alberta, 12; British Columbia, 481; Yukon, 1.

What we ask for is some provision similar to that enacted in the amendment to the Chinese Immigration Act of 1923 as respects Chinese. Under the provisions of that act the admission to Canada of persons of Chinese origin upon the payment of the head tax was abolished and the entry of such persons restricted to the following classes:

(a) Members of the diplomatic corps, or other government representatives, their suites and their servants, and consuls and consular agents;

(b) Children born in Canada of parents of Chinese race or descent who have left Canada for educational or other purposes on substantiating their identity to the satisfaction of the controller at the port or place where they seek to enter on their return;

(c) (1) Merchants as defined by such regulations as the minister may prescribe;

2) Students coming to Canada for the purpose of attendance at any Canadian university or college authorized by statute or chapter to confer degrees.

During the fiscal year 1924-25 no Chinese immigrants were admitted to Canada: we ask for precisely the same regulation in regard to Japanese. To show what the Americans have done, the following extract from the report on immigration will be of interest:

The new United States immigration quota law was passed by congress May the 15th 1924, after going to

conference, where an effort was made, and later repudiated, to extend the time of the going into effect, of the Japanese exclusion clause from July 1st 1924 to July 1st 1925: The vote in the house was 308 for and 58 against; the vote in the Senate was 69 for and 9 against:

President Coolidge had requested this postponement of the date so that a suitable treaty might be negotiated with Japan. Congress refused; the President signed the bill May 26th, 1924.

This question is one that affects British Columbia particularly at the present time, but it is one in respect of which we feel that we have a perfect right to appeal to the federal government for action. We do not want to create any racial hatred or any invidious discrimination against any people in Canada, but we do want both parliament and the country as a whole to have an intelligent grasp of the oriental problem as it exists today. We should be delighted to follow the example of our friends to the south. They appointed a commission to inquire fully into the whole question, with the result that an exclusion regulation has been introduced there. We would urge the government to appoint a commission to study the problem here, to have all the facts placed before them, and to report their findings. If this is done we have no doubt the proper remedy will be applied. I can assure the government that such a commission would have the heartiest support of the people of British Columbia. We would welcome orientals to such an inquiry. The government and the House might hesitate at the cost of a commission, but I wish them to bear in mind that the federal government has collected in head tax and registration from Chinese immigration the sum of $22,523,921. There is therefore some consideration coming to British Columbia in this matter.

I wish now to refer to a matter which has been mentioned on several occasions and which interests my riding particularly. As I have already stated, there is without doubt a certain amount of satisfaction over the budget, but I know of one class that is greatly disappointed. I refer to mixed farmers, dairymen, poultrymen and fruit men. The government failed to recognize the necessity for protecting this class of producers. They have failed to give the necessary tariff protection, their interests not having been consulted in the negotiating of treaties with other countries. Appeals have been made to the government on behalf of these industries by almost every representative from the districts affected, and there has been pointed out quite clearly the disastrous effect that must ensue from the policy outlined in the budget so far as this particular section of the community is concerned. This is an important industry and one that should undoubtedly have received the very best consideration at the hands of the government. A large amount of capital is invested in these forms of production. The following table will give an idea of the importance of the dairy business:

Invested in Dairy Business:	
Dairy Herds	$193,989,000
Plants	41,585,586
	$235,574,586

Production:

Total dairy production estimated for 1925, $300,000,000.

Egg production, 1925, 224,778,867 dozen.

Value, $57,950,340.

Total value of products from these industries, $357,950,340.

The total imports of dairy products for the calendar year 1925 amounted to $2,409,233. In the same period we imported 2,721,606 dozen eggs at a value of $957,780, of which quantity 2,577,400 dozen came from the United States. Butter comes in from the United States under a tariff of four cents per pound, while the United States tariff against us has recently been raised from eight cents to twelve cents per pound. Against Australia and New Zealand we have only one cent per pound protection. Eggs come in from the United States under a tariff of three cents per dozen, but their tariff against us is eight cents. We import cheese from the United States under a tariff of three cents while their tariff against Canadian producers is five cents. I notice from the report issued by the Statistical branch that we received from the United Kingdom, the United States, New Zealand and Australia for the three months ended March 31 of this year, a total of 6,755,732 pounds of butter at a value of $2,552,000. In the same period we imported eggs from China and the United States to the value of $863,269. This makes a total importation of these commodities for the three months mentioned of $3,415,269. In view of these facts surely the dairy industry should receive some concessions from the government. But the fact is that the budget now before parliament ignores our producers altogether.

The government apparently has not given any consideration to the fruit growers, whose market is not protected. This matter has been very fully discussed, and while I am not going to enter fully into it I wish to point out to the House that this industry has been discriminated against. For example, the American tariff on apples is 25 cents per bushel of fifty pounds; on dried apples, 2 cents per pound; on berries 1¼ cents per pound. All the protection we have is 25

per cent. The government inflicted a hardship on the fruit growers as well as on the dairy industry of Canada in the concessions they made to Australia and New Zealand in the treaty that came into force last fall. Canned fruit, canned vegetables and fresh fruit were admitted free, while perhaps the most serious injury was the placing on the free list of fruit pulp for canning purposes. Our growers always depended on this market for their surplus product.

Speaking of the Australian treaty, I am reminded of the remarks of the hon. member for St. Boniface (Mr. Howden) who expressed the following view:

> I am safe in saying, I believe, that there is not much butter manufactured in Canada in winter, the vast bulk of our product being made when the cows are in full milk in summer. The milk and cream offered for sale in Canada in the winter months goes directly to the dining tables of the land as such. The fact is that, our butter is being made in summer when cream is plentiful and being stored by the creameries and the cold storage plants, if anyone suffers through the admission of Australian butter it cannot be the primary producer.

I am very sorry the hon. gentleman is not better informed on winter production. The department of Agriculture has spent a large amount of money and done a lot of work in order to encourage our farmers to carry on winter production. In this connection, allow me to refer to the report of the Finch dairy station, Ontario. Among the objects aimed at in establishing this station, I find:

> (c) encourage the production of winter milk.

I find the report contains a table showing the amount of milk received from December to March, inclusive, and following it is this comment:

> The production during the winter months of 1922-23 shows an increase of 828 per cent as compared with the winter months of 1912-13.

This paragraph I have no doubt will interest hon. members:

> The operation of the Finch Dairy Station on a commercial basis has demonstrated among other things that an increased output means lower manufacturing costs and permits of dual equipment being installed without unduly increasing the overhead charges. The dual equipment enables producers to reap the advantage from turning out either butter or cheese, whichever happens to be the more profitable for the time being. It is possible to operate the large factory continuously throughout the year and thus encourage winter dairying.

I wish also to direct the attention of the House to the report of the Superintendent of the experimental farm at Agassiz, B.C. The dairymen in the surrounding country are spending large sums of money not only to provide for winter dairying but also to improve their herds. The record of 22 cows which have completed lactation periods during 1924 is interesting as showing the improvement that has taken place in the dairy herds. The following summary I desire to place on Hansard:

Average number of days lactation periods ..days	344.0
Total amount of milk produced..lbs.	296,567.4
Amerage yield of milk per cow..lbs.	13,480.0
Amerage yield of milk per cow per day..lbs.	39.19
Average percent of fat in milk produced ..per cent	3.355
Total amount of fat produced..lbs.	9,951.84
Average yield of fat per cow..lbs.	452.3
Average feed cost to produce 100 lbs. of milk..cents	111.16
Average feed cost to produce 1 lb. of butter..cents	28.11

It is apparent that Canada has made great progress in establishing and encouraging winter production of dairy products. The same remark applies to poultry. It is impossible to carry on profitably either the dairy industry or the poultry industry for only three months in the year. Every effort is made to keep up winter production. To show what perfection has been reached, let me cite the experiment made at the Agassiz experimental farm commencing on November 29, 1921. For the third period dating from December 1, 1923, until September 30, 1924, two pens of Barred Rocks were chosen, comprising ten pullets in each pen. The following table shows the results of the leading pen:

Eggs	Value of eggs	Cost of feed	Gain
1,778	$44 45	$21 67	$22 78

Now, my hon. friend from St. Boniface seems to think that it would be only right to import butter from New Zealand. It must be remembered that during the winter months it costs our farmers a great deal more to produce a pound of butter than it costs their New Zealand competitors during the same season. Therefore, the competition is very unfair to Canadian dairymen, and naturally they expect some protection.

I am convinced, Mr. Speaker, that the only policy which will tend to solve the problems of Canada is the policy of the Conservative party. That policy was fairly and squarely placed before the people by my right hon. leader, and from coast to coast the electors accepted it wherever it was not beclouded by other issues. The Conservative party is not a high tariff party, as has been charged in Liberal propaganda. The Conservative party stands for a protective policy, which, without permitting the exploitation of Canadian consumers, will protect Canadian markets for Canadian producers, be they manufacturers, agriculturists, or wage-earners. It

stands for a policy that will give goods produced at home preference at home; that will build up Canada instead of the United States or some other country; that will develop Canadian resources; that will as far as possible have Canadian raw materials manufactured in Canada; that will provide work and wages to keep Canadians at home; that will build up Canadian communities instead of American or other foreign communities; that will provide home markets for Canadian farmers, purchasing power for Canadian artisans, and traffic for Canadian railroads. In a word, it is a policy that will provide a measure of prosperity for all.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, we are now in the third week of this debate. I do not know why it should take so long to discuss a question of this kind when, as anyone listening to the debate will have noticed, nine-tenths of the speakers seem almost unanimous in their expressions of opinion. Apparently there is only one question which has so far divided the various parties, that of the reduction in the tariff on automobiles. I do not know whose are the unseen heads which determine how long this discussion shall last, but I believe they would confer a favour upon a great many members of this House if the debate could be closed this week. We have had cited on many occasions precedents established in the British parliament; I do not know of any British precedent for a debate of this length. In the English House of Commons the debate begins and finishes within a few days, and I think this House would be doing a good thing if it followed that custom.

After listening to the discussion which has gone on for the past few weeks one begins to realize the ramifications of the tariff policy of Canada. We have had to listen to a discussion on our trade relations which took us into practically all the corners of the globe. Canada exports her goods to not only the various European countries but to the Orient and Australia, as well as other parts of the world. As a result we are brought into direct relationship with all these various countries. After all, trade is barter pure and simple; international trade is international barter. When we send goods to Great Britain they are bound to send goods to Canada in return; when we send goods to oriental countries we must receive goods from the Orient. That is a fundamental economic axiom which most people who have given thought to this question realize and admit. We could not, even if we so desired, become an exporting country alone. If we attempted to do so, refusing the imports of other countries, it would not be very long before Canada ceased to be even an exporting country.

One of the main questions I wish to deal with to-night is one which has not been touched at any great length by previous speakers. For a short time I would like to deal with the question of the tariff as it affects wages. A great deal has been said about the workingman, how he is affected by the tariff and so on, and I would like to speak in that particular phase of the question. I claim that a high tariff does not mean high wages; on the other hand, neither does a low tariff mean low wages, nor does a high tariff mean low wages. I claim that the tariff plays a very small part in the question of wages, and when we begin to look into the question of wages from the purchasing standpoint we realize the truth of that statement. What determines wages? I contend that wages, speaking in a general way, hover around the subsistence level; that is, an employer is going to pay his employees the amount of money they can subsist on, and not much more if he can help it. If there are certain places which have a higher standard of living, that standard has come about through other causes than the tariff. One of the main reasons why some countries have higher wages than others is the organization of the workers themselves; if there had been no organized labour movement I really hate to think what would be the standard of the workers to-day in some countries. The worker, whether in a protected country or a free trade country, has only one thing to sell; that is his labour power, and as a rule he gets the most he can for it in the market where it is sold. Although it has been provided in the Peace treaty in the past few years that labour is not a commodity, it is just as much of a commodity to-day as it was when that provision was framed. We find countries to-day in which wages are very low. They are very low in the Asiatic countries. They are low in India, China, Egypt, and Japan. In these countries a very low standard of living exists. Now, the British worker and the Canadian worker in the textile mills have got to compete with the workers of the textile mills in China, Japan and India where the wages are extremely low. What is the international view-

point of labour to-day on that particular question? It is one of trying to raise the standard of living in those countries where a low standard prevails, because it realizes that is the only hope there is for the workers. We have had a recent example of that in India where the textile workers were on strike in the city of Bombay for many weeks, and where British capital and the employers were engaged in trying to beat down the standard of subsistence among the Indian workers, although it is at present very low. What was the reply of the British workers in that case? They took up subscriptions in Great Britain for the strikers in India because they realized that if the Indian worker was beaten a time might come when there would be an attempt to force a reduction of wages in Great Britain.

We find another very important factor at work to-day in connection with the international relationship of labour. Within the last few weeks a conference was held in London on the invitation of the Prime Minister of Great Britain. This conference was called for the purpose of establishing an eight-hour day in five of the European countries, namely, Great Britain, France, Belgium, Germany and Italy. Even the employer in Great Britain realized the necessity of the movement. On account of the strong labour movement in Great Britain the employer there was compelled to give to the employee the eight-hour day. But having done so he found himself at a disadvantage in competing with the products of longer hours of labour in some of the other European countries. The consequence was that an agreement was arrived at between the representatives of the five European countries named and they recommended back to the various governments for whom they were acting that they should enact an eight-hour day in their respective countries. The trend of events is such that, as I view it, the same policy will have to be pursued in other countries where the conditions so far as labour is concerned are favourable, because the workers in countries where there is now a higher standard of living is not going to see that standard lowered gradually in other parts of the world; rather they are going to work for a raising of the standard of living where it is at present unduly low. That improvement is not going to be brought about by any tinkering with the tariff.

What were the conditions of the Indian workers? Mr. Tom Johnson, one of the Labour members of the British House of Commons, was sent to India to investigate conditions in the textile industries and report back. I shall quote now from a report, taken from the Daily Herald, London, England, of February 17 last, in which Mr. Johnson says:

> Forty millions go to bed at night having eaten only one meal during the day, and twelve millions perish in an influenza epidemic because their bodies are so emaciated that they cannot resist the attack.
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> But where is the evidence that when Brownface supplants Paleface in the governorship (as he must soon do), the ryot and the artisan will be freed from the toils of the landlord and the money-lender? When, recently in Bombay, 150,000 cotton operatives struck bravely and without strike pay for 11 weeks against starvation wages, neither Swaraj nor British raj lifted a finger to assist them.
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> Indeed, when Mr. Bose moved his resolutions in the Bombay Assembly for a public inquiry into the conduct of the cottom mill industry and for a lak and a half of rupees grant for rice to the starving women and children, he was turned down with emphasis by a combination of Indians and English. What help the strikers received was from their own class overseas, and I am specially commissioned by the workers of Bombay to thank the British trade unions who sprang so readily to their assistance and made a successful issue possible.

Now, the average wage of the worker in India at the present time is about $1.25 per week, and India is not a free trade country. The policy of protection is in force there, and yet the product of that country has to compete with the product of Dundee, Scotland. At the same time, whilst the wages of the worker in India were so low—so low in fact that they can only be termed a miserable pittance—the jute companies in India in ten years made $300,000,000 of profits, which is equal to eight and one half times the wages paid in the same period.

I turn from India and come to a consideration of the conditions in Japan. Now Japan is one of the the most highly protected countries in the world. Why, the United States has not got a look-in when it comes to protection. I have in my hand a copy of the revised tariff of the Empire of Japan, with classifications dated 1923. The new tariff was put into effect on July 8, 1924, and the duty under it was increased by one hundred per cent.

Miss MACPHAIL: Is not that a lovely country?

Mr. HEAPS: What do we find subsequent to that? In the report of our trade commissioner, published in the Commercial Intelligence Journal of May 1, 1926, I find this with respect to the Japanese anti-dumping law. The report says:

> In the supplementary budget for the fiscal year 1926-27, the Japanese government has asked the Diet for the approval of an appropriation of 12,825 yen as the initial cost of the establishment of an anti-dumping investigation commission. This commission

is empowered to deal with all matters concerning the prevention of the dumping of foreign goods which act to the detriment of domestic industries. Concurrently with the putting into operation of the new tariff on March 29, the anti-dumping law is to be promulgated by an imperial ordinance and become immediately effective.

There is an anti-dumping law now on the statute books, but it has never been put into operation. It is anticipated that the revised law, details of which are not yet published, will provide for the prohibition of the importation of those commodities sold in Japan at the low production cost of fair market price in the country of origin, or when the industry producing these goods is receiving a government or state subsidy, or when they are sold below cost as a result of trade competition.

Competition by foreign firms in iron and steel, dyestuffs, sulphate of ammonia, soda ash and pulp will probably be the first subjects of inquiry by the anti-dumping commission.

I wonder if hon. members of this House realize the significance of a statement of that character. Here we have a nation whose workers are among the lowest paid in the whole world. Yet its government passes an anti-dumping law against nations whose employees receive wages five, six and ten times as high as the wages paid in Japan.

Miss MACPHAIL: And in the name of labour I suppose?

Mr. HEAPS: I suppose so. What are the conditions in Japan, in this the most highly protected country on the face of the globe? I will read another quotation from the Daily Herald of March 25, 1926. The statement comes from one who was in the country and who speaks with some knowledge. This is what he says:

There are 104,000 women employed in the mines in Japan, more than 80,000 of whom are working in the coal mines of Kyushu, the southernmost island. Wages are low, and hours and conditions are appalling.

Then it goes on to say:

Most of the women in these mines are the wives of the miners, whose special work is to load the coal on the small cars (inside the mines), which are hauled up to the surface, where the coal is loaded for exportation.

Women work for 11 or 12 hours a day in a damp and foul atmosphere. The usual method is for the family, including the wife and children, especially those over 12 years of age, to work in the mine together.

It states here that there is a law which prohibits children under twelve years of age from working in the mines actually in operation. It says:

A law prohibiting children under 12 years of age from working in the mine is now actually in operation, it is said, making the number of children workers less, although this law is never carried out in some sections of the country.

Nurseries, called "hoikujo," have been established by the companies for the purpose of taking care of the young children while the mothers work in the mines. Many of the mothers work at night owing to the failure of the Japanese government to carry into effect the International Labour Convention prohibiting night work for women and children.

Then there are nearly a million women and children employed in the factories, including cotton and silk spinning, weaving and dyeing factories. Wages range from sixpence to three or four shillings a day, the length of the working day stretching from 11 to 13 hours.

I will give the average wage of the worker employed in the textile mills in Japan according to figures issued by the Japanese Cotton Spinners Association.

Average Japanese wages on a yearly basis appear so low when translated into American or Canadian money that they might easily be mistaken for the monthly wages of an unskilled labourer or the weekly wages of a skilled tradesman in this country. The figures for male and female employees in the spinning mills are:

Japanese Cottonmills

Year's Pay	Male	Female
1914	$24 55	$15 95
1915	24 75	16 10
1916	25 00	16 70
1917	27 25	18 55
1918	34 30	23 80
1919	55 80	43 50
1920	78 35	55 98
1921	73 15	55 67
1922	77 20	62 15
1923	74 15	55 90
1924	76 20	60 30

This article continues:

Women workers outnumber the men 3 to 1 in the spinning mills and 5 to 1 in the making of cloth so that the average wage in the Japanese cotton industry is less than $65 a year. These workers keep Japanese textile machinery working 22 hours a day in two 11-hour shifts.

Cotton cloth from Japan goes to China, India, the Dutch Indies, Australia, the Philippines and in considerable quantities even to the United States. The value of these exports increased from 3,437,474 in 1903 to $21,701,705 in 1914 and to over $163,000,000 in 1924. Taking Alexandria, Egypt, as a typical foreign market we find Japanese goods offered at $5.90 per piece in competition with the product of American mills at $7.65.

I claim, Mr. Speaker, that foreign countries are, to a very large extent, responsible for the exportation of these cheap goods from these oriental countries. It was mostly foreign capital that was sent there to exploit the natives. What do we find? Cotton goods normally constitute about one-fourth of British exports. To a great extent England's world dominance has been built up by the Manchester merchants who sold cotton cloth, principally to India and China. And now though the products of Lancashire cannot compete with the goods produced by the cheap labour of Japan, China, India and Italy, these merchants appear to be prospering. The answer appears to be that when the orders come into England as formerly these patriotic

merchants fill them with goods produced in the mills of Japan, Italy, and so forth. Sometimes these goods are shipped direct from the place of production. At other times they are shipped via England camouflaged as British goods. Meanwhile British capital goes on in Asia developing competition for British workers. The export of British textile machinery to India, China and Japan is an illustration. In 1913 Britain exported about $9,600,000 of textile machinery to India. The corresponding figures for 1921, 1922 and 1923 were $42,000,000, $38,000,000 and $27,000,000. Similarly exports of textile machinery to China went from $3,800,000 in 1913 to $14,000,000 in 1921, $14,000,000 in 1922 and $10,000,000 in 1923.

Now, Mr. Speaker, it is rather an interesting commentary on the figures I have given in regard to low wages that where low wages exist in one country you will find that they exist in other countries where there is supposed to be a higher standard of living. In other words, the problem has an international aspect. There are certain trades in the United States at the present time where wages are really high, but those are what I would call the more sheltered industries, particularly the building industry and the construction of railroads. You cannot import buildings or railroads; consequently the men engaged in these particular trades have the advantage over those engaged in other occupations who come into competition with industries in other parts of the world. Therefore I ask, what is the condition of the workers in the textile industries, say in the United States—yes even in Canada or Great Britain? We find them in some respects almost as bad as they are in the countries in respect to which I have collected these figures.

I will quote, Mr. Speaker, an article from one of the Canadian labour papers, of date, April 23, 1926, entitled "An Industrial Hell-Hole", contributed by a correspondent in the United States. We will see from that article what is happening in the textile industry in the United States and what protection is doing for the worker in that country; we see that he is not enjoying that prosperity of which we have heard so much in this House during the last week or two. The article reads:

An Industrial Hell-Hole

Sixteen thousand textile workers have concluded their ninth week of strike at Passaic, N.J.

When the unorganized millhands of Passaic strike the outside world can rest assured that conditions are so impossible as to be no longer endurable. When they stay out nine weeks and are ready to stay out nine more, if necessary, the assurance is strengthened that conditions were so bad not even a dog would stand for them without remedy.

The Department of Labour is sponsor for the statement that wages are so low in Passaic that one-third of the wives must seek employment in the factories in order to augment their husband's pay to live at all. In many instances man and wife are employed in the same mill.

The husband works by day and the wife at night. Wages average between $12 and $20 a week. The working hours are from fifty-five to sixty. One can imagine conditions, where no one is home to take care of the household, and where a four-room flat, ill-ventilated and ill-lighted, is occupied by six to as high as sixteen persons.

Recently the mill owners declared a ten per cent cut of even these low wages. That was the straw which broke the camel's back. The workers just piled out of the factories en masse, evidently feeling that it were better to starve out in the open than at the machine.

The other side to the story is furnished by the police authorities.

And this goes on to deal with the way in which the police have been acting in the strike, clubbing the workers in order to try to drive them back to work. What has been the result of these constant troubles in New Jersey, the home of the textile industry of the United States? Has there been a demand for high protection in order that higher wages may be paid? I do not think so. Let us see what this article says:

Thomas F. McMahon, président of the Textile Workers, told of the effect of the tariff on the workers.

"Although the output of workers in cotton mills has increased three and four fold," said he, "and the capitalization of the Amoskeag mills has gone up from $4,000,000 to $44,000,000 in 30 years—without an additional cent being invested in the industry—there was a reduction of about 22½ per cent in the wages of the employees in this cotton mill in 1921, followed in 1922 by an effort to enforce an additional 20 per cent reduction. This brought on a strike and the order had to be withdrawn.

"However, other mills enjoying tariff protection are still prosecuting the wage reduction campaign."

American textile workers, McMahon concluded, are determined to free themselves from this exploitation. If tearing down the tariff walls that sheltered this system will do it, they will lend a hand.

It goes on further:

One million workers in the textile industry in the United States find themselves sinking lower and lower in the economic scale, while their rate of production and the profit taken by their employers go rapidly upward.

McMahon analyzed the record of the cotton goods manufacturers under the high protective tariff, and testified that in certain lines they now can undersell the products of mills in India and Japan. The machinery used in this country is better than that used abroad, and the average wage for American cotton mill operatives is only about $15 a week. Great numbers of children are employed at $7 to $10 a week.

It is not only the men in the unions in the United States who are to-day hammering at the tariff walls of that country. You find them inside the Republican party as well as the Democratic party there, for the very good and simple reason that they find they have had too much protection and that in spite

of the protection which the manufacturing industries have had, the workers have had no protection at all. The point I wish to stress to-night is the fact that protection gives no protection to the workers.

This is rather an interesting article dealing with a tender that was going to be let by the United States Naval Department. This is what it says:

> Shall a contract for building the engines and machinery for six American gunboats be let to a British firm in China employing coolie labour?
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> This question has been put squarely up to Secretary Wilbur of the Navy department, who comes from California, where the Chinese labour question has been an issue for many years, resulting in the exclusion of Asiatics from entering this country as immigrants.
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> The last Congress enacted a measure providing for the construction of six gunboats to be used in patroling Chinese waters and fixed a maximum expenditure of $700,000 for each vessel.
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> The Navy department made plans to have the hulls for the gunboats built in China, where they are to be put into service, but to build the Deisel engines to propel them in the Brooklyn navy yard. Later the department decided to install reciprocal engines and have them built in China.
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> Engineers of the Navy department claim that a saving of something over a million dollars would be made by giving the contract to a British firm in China employing cheap coolie labor.
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> Of course the Navy department will not permit the Chinese to man the gunboats. American citizens will be called upon to do the fighting if there is any to be done.

We find further how the highly protected steel industries of the United States can actually sell their goods in Great Britain at a lower price than they can be manufactured in Great Britain and about $4.50 per ton less than they sell them to the people of the United States, at the same time paying freight rates over to Great Britain. What happened when in the city of Glasgow not long ago this same United States Steel Corporation put in a tender for steel rails? Who was it that protested against the United States Steel Corporation sending their goods over to Great Britain? The Conservatives and some of the Liberal members of the Glasgow city council were anxious to have the goods imported from the United States, but the Labour members of the council rose from their seats and protested against the dumping of goods which were produced under sweatshop conditions and in the end they won out.

I wish to deal with something which has been dealt with by many other speakers, but possibly not from the same angle. I wish to deal with the budget, and to get away for the time being from the question of tariffs. Some hon members have called it a "prosperity" budget; some have called it a "poor man's" budget; some have called it a "people's" budget; others have called it a "rich man's" budget. I do not know which of these fit, but anyone can have his choice.

An hon. MEMBER: A popular budget.

Mr. HEAPS: Some have even called it a "popular" budget. I wonder what the average workingman has to look forward to in this budget. It is said there is going to be reduced postage on letters, a reduction in the income tax and the receipt tax is to be abolished. I do not know how much benefit the workingman is going to get from the abolition of the receipt tax. It is not often that he has to buy stamps to put on a receipt. If his saving by the reduction of the postal rate from three cents to two cents is taken into consideration, he might save five cents a month or possibly sixty cents a year. This is not much of a poor man's budget. When it passes this House the worker will have to work just as hard as he did before; he will have to fight his employers just as hard as he fought them before; he will still have the same struggle to exist as he had in previous years.

Some hon. gentlemen have stated that to increase the tariff will provide more work. I do not think that is sound economics. High tariff does not of necessity mean more work. What the worker wants is not merely work; the worker should not be classified as a kind of horse who has to work whenever he is called upon to do so, be given a certain quantity of fodder for his day's work, and then go back into his stable in the evening. He ought to be given a higher standard of living rather than to be merely a machine and have profits wrung out of him. The workers want a higher standard of living; they want more of the goods they produce, and the only way in which we can have some prosperity in Canada and other parts of the world is by giving the workers a wage by which they can have that higher standard of living.

Let us see what the worker produces and what he gets in return for his labour. In 1917 there were employed in Canada 552,968 persons in industries of all kinds. In 1923 this number decreased to 446,994, the largest percentage of reduction having occurred in the year 1920-21. In 1920 the number of persons employed in industry was 526,571 and in 1921 it took a sudden drop to 391,203. Why did not my hon. friends opposite put up a high tariff in 1921 when they saw work in Canada gradually dwindling? They did not for the very good reason that they knew

very well that the tariff at that particular time could not have served to increase the amount of work available in Canada. There were causes altogether apart from anything connected with the tariff, which contributed to that huge drop in the number of workmen in Canada in that period. The principal factor was the deflation that set in, and no government, at any rate no government as governments are constituted at the present time, could possibly have attempted to settle a question of that nature.

What was the volume of goods produced by the workers in that period? In 1917 the total production was worth $2,873,268,183, and that amount of wealth was produced by 552,968 persons. In 1923 the total production amounted to $2,781,165,514. The figures for the years from 1917 to 1923 inclusive are:

Value of products manufactured

	Gross Products
1917	$2,873,268,183
1918	3,289,764,146
1919	3,290,500,585
1920	3,772,250,057
1921	2,576,037,029
1922	2,482,209,130
1923	2,781,165,514

It will be observed from the figures I have given that the total value of manufactured products was greatest in 1920, but we must not forget to take into consideration the value of the dollar at all times. In 1920 the purchasing power of the dollar was quite low; it increased considerably in 1923. It will be interesting to compare the years 1917 and 1923 from the standpoint of the value of our dollar. In 1923 the dollar stood at 153 as compared with 178 in 1917, so that the index value was 25.5 less in 1923 than in the former year. This means that the total value of manufactured products which I have given for the year 1923 as $2,781,165,514, if based upon the value of the dollar as it stood in 1917, would be in reality $3,244,693,100. On the other hand, if we take into account the fact that the wholesale index figure of prices was 243.5 in the year 1920, when our production was largest in dollars, the total value of our output in those twelve months; based upon the 1923 cost of production, would be $2,370,243,362. Perhaps I may put it in this way: In the year 1923, with 446,994 persons engaged in industry, as against 552,968 employed in 1917, there was a tremendous increase in production over the previous period. And if we exclude all salaried persons working in offices we find that in 1917 the production per individual was $5,196 as compared with $6,222 in the year 1923. Now what wages did the workmen receive in those periods respectively? In 1917 the average worker engaged in industry—exclusive of salaried officials—received $760; in 1918, $878; in 1919, $938; in 1920, $1,109; in 1921, $1,002; in 1922, $939, and in 1923, $959. These figures will give us a good idea of what the workers actually produce and what they actually receive in return for their labour, and in view of these disclosures I claim again that no tariffs, whether they are high or low, can greatly affect the situation.

A good deal has been said about the reduction in automobile duties. I cannot help contributing a word or two to the discussion of this question, having interviewed some members of the very large delegation that visited Ottawa a week ago. It is quite true that most of these workers who came to Ottawa did so at their own expense. This is true with very few exceptions. I did the best I could to understand their problem and to ascertain their grievance. Some hon. members went so far as to look into their eyes. I did not do that but I went right up amongst them and spoke to them, trying to get their point of view. But what interested me was the amount of wages they were getting; I wanted to know what they were paid, seeing how upset they were over the reduction in the automobile duties. I do not think there is an hon. member in this House who knows more about the trials and tribulations of the average workingman than I do. I have lived amongst them all my life and I understand something of their problems. The first question I put to these men therefore was as to the amount of wages they received. I found that in the Oshawa factory the great majority of the employees were getting an average wage of between $80 and $85 per month. Later on, moving amongst others of these workers, I was informed that some of them earned from 70 to 75 cents an hour: that would be in the more highly skilled and more hazardous occupations. Work is fairly steady with these people, as I ascertained, but apparently they do not know what the tariff means. "What do you know about the tariff?" I asked; and the general answer was, "We don't know anything about the tariff, but we know that we have had a dirty deal." I then wanted to know what was the nature of this "dirty deal". The answer I got was that, whereas they had been working overtime before the reduction was made, when they came to work on the morning following the budget they found the gates closed against them. "Who closed the gates?" Well, they held the government responsible for it; they considered that the Minister of Finance (Mr. Robb) was to blame for the gates having been closed against them. Now, Mr. Speaker, I say that when an employer

shuts out his employees in this way he is exercising a function which in my opinion is far beyond his prerogative; and he is doing something equally unjustifiable in influencing people to action such as they might not otherwise take. I do not personally believe that the reduction in the tariff on automobiles will have any great effect on the industry in Canada, and I say that advisedly.

I have here a clipping from the Montreal Star, which paper I am sure no one will claim is in any way biased in favour of tariff reductions. It appeared in the issue of the Saturday following the announcement of the budget and is as follows:

In conservative quarters where Canadian industrial developments are watched closely, the opinion was expressed that the proposed reduction in the Canadian automobile tariff, if adopted by Parliament, would not necessarily mean the end of the manufacture and assembling of American automobiles in Canada. The only direct result of such a change, according to the opinion, would be to reduce their profits. Assembled United States cars, it is explained, have been sold to the Canadian public plus the tariff, thus adding to the profits of the Canadian subsidiaries of the United States companies.

Recently, Mr. Speaker, I received a letter, and it is quite possible that other members from Winnipeg and vicinity also received a similar communication. I have not yet obtained the sanction of the firm to give its name, and consequently I must withhold it for the present, but I may say that the firm employs about one hundred people. It has threatened to close down if it does not get increased protection for the particular commodity which it manufactures, the tariff protection on which has been reduced by the budget. Let me read this very illuminating portion of the letter:

In addition to the reduction in tariff, we wish to point out to you the handicap we would be working under in endeavoring to meet the United States competition—with the protection on pig lead of one cent per pound as follows:

Canadian pig lead, as you no doubt know, is mined and smelted in Trail, B.C. by the Consolidated Mining and Smelting Company, and they base their price—not on their cost—but take advantage of the one cent per pound duty; and simply base their price on the foreign market, plus one cent per pound, less five cents per hundred pounds f.o.b. Montreal.

Mind you, although the lead is manufactured at Trail, the price is figured at what it would cost to ship the commodity from Trail right to Montreal, which is the port of landing for this class of goods from England and other parts of Europe.

The five cents per hundred pounds is deducted from the imported f.o.b. Montreal price, to assure them the Canadian business.

Further, when we purchase our requirements (as we must do) from the Consolidated Mining and Smelting Company, they charge us the Montreal price, plus the carload rate of freight to Winnipeg— which is fifty five cents per hundred pounds; for example, if the imported f.o b. Montreal price, less five cents per hundred pounds, is eight cents per pound, the Consolidated Mining and Smelting Company will charge us $8.55 per hundred pounds delivered f.o.b. Winnipeg, although the lead is shipped from Trail, B.C. They will not sell to us at price f.o.b. Trail, B.C. Such price to be the Montreal price, less the carload rate of freight from Trail to Montreal, and then let us pay the freight from Trail to Winnipeg.

Now, if anybody can beat that I should like him to come forward.

Mr. GARLAND (Bow River): There are lots of similar examples, though.

Mr. HEAPS: Yes. Before I leave the subject of automobile duties, Mr. Speaker, I wish to refer to the British automobile industry. When the hon. member for Fort William (Mr. Manion) was speaking on the budget I had occasion to ask him a question in regard to this. Now I want to give certain facts which I have taken from the British Hansard, and I do not think there will be any doubt as to the accuracy of what I am about to quote, whether hon. gentlemen agree with it or not. In the course of a debate in the British House of Commons on June 9, 1925, I find at page 1926 the following remarks by Col. Wedgewood:

The motor car industry has flourished extraordinarily under its year of free trade. Just as the financial secretary for the treasury has been informing us how the taxation of patent medicines sent up the production of patent medicines so that the tax when doubled produced four times its original revenue, so we find that free trade, so far as the motor car industry is concerned, has done it a world of good. The production of motor cars in Great Britain has really risen in a most remarkable fashion in the last few years. In 1922, 45,000; 1923, 67,000; 1924, 107,000. That is the account of a flourishing industry, an industry which, according to the tenets of hon. and right hon. gentlemen opposite, should be the last to call for protection. But this is the industry specially selected for protection. There is another remarkable fact. English manufacturers actually increased their share of the whole of the cars sold for the home market from 62 per cent in 1923 to 70 per cent in 1924 in spite of the tariff barriers coming down, so that now they are supplying well on to three quarters of all the cars sold for the English market. Foreign competition does not seem to have damaged the industry but rather to have stimulated it. It is not merely the home market. Take our export of motor cars. You will find that in the eight months since the repeal of the McKenna duties we have exported 9,793, and in the corresponding period of the previous year we only exported 3,970. We have very nearly increased threefold the export of British cars owing to the reduction in the protective duties.

Take the profits of the motor firms. There, too, we can see whether they are a suffering industry. I find from the "Times" that the net profits of all of the principal motor firms have increased in the following manner in the last three years: 1922, £287,000; 1923, £655,000; 1924, £930,000.

Now, in order to be absolutely fair I am going to quote from the same debate extracts

from speeches delivered by those who declared themselves in favour of protection. Mr. Winston Churchill cited some advertisements that appeared in certain British newspapers, and these may to a certain extent bear out the theory of some hon. gentlemen opposite, but I want to give both sides of the question if I possibly can. This is the first of the advertisements:

Enabled by the budget to resume a policy of extended manufacture which was interrupted last year by the withdrawal of the McKenna duties, Vauxhall Motors, Limited, announce with pleasure the undermentioned reduced prices.

There was a reduction in the price of automobiles in Great Britain. Then I have another quotation from the speech of Right Hon. Winston Churchill:

The McKenna duties will not raise the prices of British cars to the British public or to our colonies and dominions. On the contrary, I take the view that while now there is some assurance that our motor industry will not be destroyed, they will increase the fierce internal home competition and that will not necessarily benefit the shareholders of any motor car company but it will steady their position and decrease unemployment.

Mr. Snowden, in reply, said:

Let me refer to the motor trade. I am justified in emphasizing this point, because it was the great objection which was urged by hon. gentlemen opposite against the repeal of the duties last year. It was said that the repeal of the duties would increase unemployment.

This is what I am interested in, because it has a bearing on the men working in Canadian automobile factories.

It was suggested that the repeal of the duties would increase unemployment. Take the motor trade. In August, the month of their removal, the percentage of unemployment was 10.2; in December it had dropped to 7.5.

That is a drop of 33⅓ per cent, and unemployment fell with the drop in the duty.

These are facts which are worth all the rhetoric of the right hon. gentleman. I wish he would deal a little more with the facts and give us less of his knowledge of the English dictionary.

The hon. member for South Wellington (Mr. Guthrie) and the hon. member for Fraser Valley (Mr. Barber) quoted from a paper called The Labour Leader, published in Toronto. I did not know of the existence of such a paper until I received a copy of it, although it is claimed to be a national paper. Knowing nothing about it, and not knowing those who were responsible for its publication, the day after it was read in this House by the hon. member for South Wellington I wrote the vice-president of the Canadian Trades and Labour Congress, Mr. James Simpson. This is his reply, under date of April 16, on the letter head of The Trades and Labour Congress of Canada:

The man W. J. Heavy, part proprietor of The Labour Leader, of Toronto, has no right whatever to speak for organized labour in Canada. By unanimous vote of the Toronto District Labour Council he has been denied a seat in the council, although his name was sent on from the Theatrical Stage Employees' Union, of which he is a member. He has been repudiated several times by the Trades Council—

Mr. BEAUBIEN: He is an actor?

Mr. HEAPS: A bad actor.

—and there is a resolution on the books of the council refusing admission to anyone connected with The Labour Leader.

I do wish some of my hon. friends opposite, before quoting from such newspapers, would find out something about them.

This man Heavy was at one time a member of the Cigarmakers' Union and represented that union in The Trades and Labour Council. The Cigarmakers' Union withdrew him from the council on account of his disloyalty to the Trades Union movement. Through a friend, who was about as bad as himself, he got into the Stage Clearers' Union, which was affiliated with the Theatrical Stage Employees' Union. He was then an advertising solicitor and had no connection with the theatrical business.

So he was not even a bad actor.

It was one of those shady deals sometimes put over in the labour movement, by a bad gang who eventually come to their end. The London Trades and Labour Council has also a resolution on their books refusing to give him admission to meetings of the council, although he was born in London and was a resident of that place. His only connection with the labour movement is his connection with the Theatrical Stage Employees, and that union has been told that under no circumstances will the District Labour Council accept him as a delegate. The Labour Leader has been several times condemned as the enemy of the workers. It is a paper which is run by two private individuals for the money they can get out of it. They supported the Conservative party at the last election and opposed the Labour candidates everywhere. They made their advertising rates prohibitive to Liberal candidates at the last election because the Conservative party had them controlled body and bones.

Miss MACPHAIL: And soul.

Mr. HEAPS: They have none.

The paper is regarded as the friend of the Manufacturers' Association and profits considerably financially because of its support to that association. Heavy is a member of the Conservative party and is regarded by the Tory machine in Toronto as one of its strong supports. He has no influence in the Labour movement, but on the contrary is regarded as one of the worst traitors we ever had in the Labour movement. It is a matter of court record in Toronto that Brigadier-General Gunn and Mr. Roden, ex-president of the Canadian Manufacturers' Association, appeared before the metal trades employers in Toronto at the time their employees were out on strike to ask them to vote $5,000 to Heavy to assist him in getting out a Labour paper. At that time Heavy was the secretary of the Trades and Labour Council. It was because of this act of treason while in the Labour movement that he was thrown out of

the Trades Council and Cigarmakers' Union. John W. Bruce, general organizer of the Plumbers' and Steamfitters' Union, openly charged him with being on the staff of the Milwaukee Detective Agency, while operating in the Labour movement. Heavy started court action against Bruce but dropped the case after it had gone through its preliminary stages. This charge was based upon the fact that while Heavy was in the bar of one of the Toronto hotels some years ago a card dropped out of his pocket, was picked up by one of the men who was with him, and afterwards read. It was a card connecting him with the Milwaukee Detective Agency.

One recent incident will reveal the type of the man. His paper has made a lot of money because of its attacks upon Communists and the Red element, but at the last convention of The Trades and Labour Congress of Canada, Tom Moore, the president, was opposed by a Communist. Heavy voted for the Communist. This can only be explained on the ground of Tom Moore's refusal to be used by Heavy and his paper to further their financial gains.

You can tell Hugh Guthrie for me, as vice-president of The Trades and Labour Congress of Canada, and secretary of the Canadian Labour party, that every time he quotes from The Labour Leader or mentions the name of W. J. Heavy in support of his theories or party he is insulting every decent trades unionist in Canada. Everything I have mentioned in this letter can be supported by documentary evidence.

Sincerely yours,

JAMES SIMPSON.

I also have further references to this man Heavy which appeared in the London, Ontario papers, made by some of the officials of the London Trades and Labour Council. These are very much along the line of what I have already quoted.

The hon. member for Fraser Valley dealt with the question of the income tax, and quoted certain figgures to show what the actual reduction was. I am also interested in the income tax question, although perhaps in not exactly the same way as other hon. members who have already spoken. I have given figures which show that the average worker cannot pay income tax because his wages do not come within the income tax limits. I have here the figures published by the Bureau of Statistics in that connection, and I want to read some of these figures because they show some rather startling facts in connection with the concentration of wealth in Canada. In 1923 there were 1,181 persons who paid income tax, and who might be termed the highly favoured few. I wish I was in that class; I would never complain about the income tax I had to pay. These 1,181 persons paid $12,022,219.

Mr. GARLAND (Bow River): What was the total number?

Mr. HEAPS: I will give you the total number in a minute. What I am saying now is that in 1923, 1,181 persons paid $12 022,219. The balance, numbering 280,000, paid between them $19,845,149. Had I time to work the figures out on a percentage basis I believe it would show that these people—I refer to the 1,181 persons mentioned—paid between thirty-five and forty per cent of the total amount of income tax in Canada. In 1924 we find that 1,898 persons paid income tax totalling $11,357,039, and 237,138 other persons paid $14,476,976. In 1925, 1,804 persons paid $11,559,666, and 223,710 persons paid $13,586 836. In other words less than two thousand people paid approximately—I am speaking now without having given the matter very close thought—forty-five per cent of the total income tax paid in the Dominion. The analysis made by the Bureau of Statistics gives these payments in much greater detail. I do not wish to quote all the figures, however, and I will ask permission to have them placed on Hansard. They are comprised in the following table:

NUMBER OF INDIVIDUAL AND CORPORATE TAXPAYERS, BY SIZE OF INCOMES AND AMOUNT OF TAXES PAID, UNDER THE INCOME WAR TAX ACT, FISCAL YEARS ENDED MARCH 31, 1923, 1924 AND 1925.

Income-Class	Individuals					
	1923		1924		1925	
	No.	Amount	No.	Amount	No.	Amount
		$		$		$
$1,000 to $ 6,000	146,178	3,411,475	127,718	3,066,580	126,481	2,993,574
2,000 to 6,000	113,359	4,616,287	94,580	3,934,537	80,864	3,324,746
6,000 to 10,000	13,030	3,603,536	10,140	3,187,012	11,129	2,904,996
10,000 to 20,000	6,069	5,212,937	4,700	4,288,847	5,236	4,363,520
20,000 to 30,000	1,365	2,997,914	1,047	2,521,615	983	2,413,905
30,000 to 50,000	801	3,810,107	851	8,835,424	821	9,145,761
50,000 and over	380	8,122,112				
Total	281,182	31,867,368	239,036	25,834,015	225,514	25,146,502
Unclassified amount	–	490,046	–	533,799	–	350,379
Total	–	32,357,414	–	26,367,814	–	26,496,881
Refund	–	667,997	–	710,478	–	340,113
Total	–	31,689,417	–	25,657,336	–	25,156,768

Now, Mr. Speaker, I generally like to limit anything I say to the hour.

Some hon. MEMBERS: Go on.

Mr. HEAPS: I have already transgressed a self-imposed rule, and I do not wish to go much further into some of the matters upon which I have dwelt. But I wish to say this: We find as a result of the facts which I have given that in the production of wealth the portion which the workers, both men and women, receive out of that which they have produced is extremely small. We find, according to our income tax returns, that the wealth of the country is concentrated practically in few hands. Here in the Dominion of Canada we find a quarter of a million people paying income tax. If that is the case, taking five to a family, it will mean that a million and a quarter people, men, women and children, may have benefited by the reduction of the income tax. But what about the other eight millions of people? What are they getting out of the budget? That is the question that has to be answered, and I do not expect either the Liberal party or the Conservative party to give us much more than they are giving us at the present time.

Mr. CHAPLIN (Lincoln): Why don't you answer your own question?

Mr. HEAPS: I am trying to show my hon. friend, and I hope the points I have made will reach his mind and stick there. I have been showing to-night how little the worker gets for what he produces. I have been showing that wealth has been concentrating in fewer and fewer hands; and if the hon. gentleman wants to know what I think, I have no hesitation in saying that I think labour is entitled to that which it produces. The person who is performing a useful function in society is entitled to something more than a mere pittance in life, and to receive when he reaches the age of seventy a pension of $20 a month. This old age pension should not be necessary in any country. But why is it necessary? Because men and women when they have toiled throughout their lives find themselves in old age without sufficient to live on. I suppose hon. members, like the hon. gentleman who has just interrupted me, would be the first to oppose measures of that character. Let me quote to my hon. friend an authority which, perhaps, even he will accept. Sir Alfred Mond, speaking on April 17th in the city of Birmingham, England, said:

> Our whole industrial system is being challenged, not merely by wild and foolish people, but by serious thinkers and economists.

I will leave the matter there.

Mr. C. H. CAHAN (St. Lawrence-St. George): Before proceeding to discuss one or two of the questions raised in this debate, I wish to allude to a reference made to myself recently by the hon. member for Nelson (Mr. Bird). I submit to the House that in the discussions into which my Progressive friends to the left have entered since the House opened, I have been present upon almost every occasion and been an interested listener—because I have sought and really and sincerely desired to be informed with regard to the views of the gentlemen who compose the Progressive party—and I do not think that in any debate I have gone beyond the bounds of extreme courtesy in dealing with and in referring to these gentlemen. But my hon. friend from Nelson, although I have called his attention to the fact, has not seen fit to revoke a remark which he made in reference to myself the other night, and that was that in the course of the debate I had referred to members of the Progressive party as "ignorant trash." Mr. Speaker, I am quite incapable of using such rude and discourteous language. I certainly have not used any such language in this House. I only wish to say that I called the attention of the hon. member for Nelson to his error, made in the heat of debate, and that he had not yet seen fit to correct it on the record.

Mr. BIRD: Will the hon. gentleman finish the sentence that I used?

Mr. CAHAN: If I remember correctly, you alluded to me as saying that I had referred to the Progressive party as "ignorant trash or something of that kind."

Mr. BIRD: If the hon. gentleman will allow me I will read to the House what particular statement I had reference to.

Mr. CAHAN: You can refer to it afterwards. Certainly I made no statement of that kind, or anything in the nature of such an insinuation.

An hon. MEMBER: Read the statement.

Mr. CAHAN: I called the hon. gentleman's attention to it, and he has not yet seen fit to revoke it.

An hon. MEMBER: Read it.

Mr. BIRD: May I not on a question of privilege refer to the statement which I had in mind?

An hon. MEMBER: Yes, read it.

Mr. BIRD: On page 2439 of Hansard, April 14th, in answer to a question put by Mr. Garland, the hon. member for St. Lawrence-St. George said:

I should think hon. gentlemen would have known very much better than to have said many of the things which they have said this afternoon, but there is no limit sometimes to ignorance.

That is the statement I had reference to when I said "Ignorant trash or something of that kind," and I had not reference so much to the exact words as to the tone in which they were uttered.

Mr. CAHAN: The hon. gentleman would have been far more frank and candid to this House if he had referred to the fact that before I made the statement in question, the hon. member for Bow River, referring to another hon. member whose contentions I was disputing said:

I do not think he said that.

Referring to his friend of the Progressive party.

Mr. SPEAKER: What is the page?

Mr. CAHAN: Page 2439 of Hansard:

I do not think he said that; he knows much better.

I retorted to the hon. member for Bow River:

I should think hon. gentlemen would have known very much better than to have said many of the things which they have said this afternoon, but there is no limit sometimes to ignorance.

And I still contend that in the discussion there was a great lack of information with regard to banking credit by some members of the Progressive party. But that is an entirely different thing from my referring to the members of that party as "ignorant trash", and if the hon. member for Nelson had the high sense of honour that I thought he had, he would have been quite willing, at my request by letter, to have corrected that statement in Hansard.

The hon. member for Temiscouata (Mr. Pouliot) the other night made a slighting reference to myself. He seemed to suggest that I was quite ignorant of conditions in Quebec, because I could not answer him as to the general feeling in three of the small parishes of the constituency of Temiscouata. If I had been dealing with him in the way he attempted to deal with me I might well have retorted that I could judge the three parishes at Temiscouata by the character and qualities of the representative they sent to this House, but that would have been utterly unfair to him, because I know enough about the old families of Quebec to know that the hon. member for Temiscouata comes from a very distinguished family in that province. Among his ascendants have been a considerable number of men who have taken a splendid part in the public, the judiciary and the professional life of this country, and I can only wish for him the good fortune to follow in their footsteps and to emulate their example. When he does so, as I hope he will, he will refrain, I am sure, from making such unpleasant remarks to present members of the House, and especially such crude and vulgar remarks with reference to a certain former member of this House as he made the other night. He suggested that I should sit on the opposite side of the House instead of sitting where I am, because I happen to differ, I have no doubt, on some matters of policy from hon. members who sit on this side. The hon. member at this early stage in his public career may need a leader, a guide and a counsellor. I do not think that in public matters I do require the same guidance of which he has need, and I trust that he will follow the guidance of his leaders from Quebec, who have always shown in debate in this House, so far as I am aware, that kindness, consideration and courtesy to hon. members on this side which have characterized not only all their predecessors in the House, but their race as a race.

I wish to refer for a moment or two to the question of the income tax. When the hon. member for Labelle (Mr. Bourassa), entered upon a discussion of the Address to His Excellency, he called the attention of the House to the difference between earned income and unearned income. He suggested that a heavier tax should be placed upon unearned income than is placed on earned income. I understood the Minister of Finance, in introducing the resolution at the commencement of the budget debate, to suggest that he was following some distinction or discrimination between earned income and unearned income. There is a good deal to be said in favour of taxing unearned income at a higher rate in certain circumstances. But I suggest that the hon. minister has not followed out that distinction or made a clear discrimination in the resolution he has placed before the House. The resolution does discriminate between dividends received from Canadian companies and every other source of revenue, but I suggest to the hon. Minister of Finance that when he is placing the heavier tax upon unearned income, he might remember that interest upon money loaned, interest received on debentures and bonds of companies, interest received from mortgages, and income received from a half a dozen other sources

which I might name, are unearned income, and should in a properly constituted budget be subjected to the same taxation, if not a greater taxation, than income received as dividends from Canadian companies. In the United States such a discrimination is made in the income tax. But in that country they clearly define income from wages, salaries, professional fees and other amounts received as compensation for services actually rendered, as earned income; all the rest is taxed as unearned income.

Let me put a case to show the discrimination that is made by the income tax as expressed in the resolution before the House. Take the case of an unmarried man, without dependent children, receiving a salary of $10,000. Under the resolution now proposed he would pay a tax of $290. If he has a salary of $5,000, but, by reason of his thrift, he has accumulated a certain fund and invested it in stocks of Canadian companies which yield him $5,000 additional by way of dividends, he will pay, in addition to the $290, as a shareholder of the Canadian company, the $494.50 which is now exacted from the company. But if exemption had been continued in respect to dividends received from Canadian companies, which have already paid the income tax on behalf of their shareholders, he would still have paid the $494.50 and, in addition, he would pay only $40 on his earned income instead of the $290 which he is now called upon to pay. So that in his case the tax is increased and very considerably increased; and a careful examination of the income tax now proposed will show that there is not likely to be any general diminution—that is, any diminution in the total amount of income tax received from all these sources. But the proposed change does favour the man with a small income. It favours also the man with a large income who is more competent to pay, and it places the additional burden upon the large body in between who receive moderate incomes by way of dividends from Canadian companies.

In this country we have found it advantageous for trade, commerce and industry that a man who has an investment in such trade or business or industry should be enabled to associate with him sometimes his workingmen, sometimes his salaried officials, and sometimes his neighbours. I have in mind the case of a man that came before me in respect of the settlement of an estate a few months ago. A friend of mine carrying on a large wholesale business in Canada undertook to bring in with him and give advantages to old employees, to salaried managers, and the business which had been carried on by an individual was incorporated as a joint stock company in order that his associates might be brought in and enabled to purchase an interest in the company. That man, while conducting the business as his own, pays one tax upon the profits of the concern; but under the present proposed resolutions the moment he incorporates himself and his associates not only does he pay a tax and a very heavy tax upon the income of the company, but when that income, after paying income tax to the government, is distributed between him and his associate shareholders in the company, it pays a second tax and a very heavy tax which has not hitherto been imposed upon stockholders or shareholders of a Canadian company. An enormous sum of money will be brought into the treasury under this new provision.

The new resolutions encourage the investment by wealthy men of their money not in Canadian companies—because they now pay a double tax—but in non-productive property which may increase in value from year to year but which yields no taxable revenue, pending, I suppose, proper changes in the income tax laws. Therefore I say that these resolutions with regard to the income tax are on a par with the other legislation submitted by this government to the House during the present session. They are ill-considered; no attempt has been made to spread the taxes on a proper basis, to study out the problem in order to do justice to various classes of men receiving incomes. The proposed change, as I said a moment ago, does not imply any reduction in the aggregate of the tax to be collected. Heavier taxes and in fact double taxes are imposed upon the earnings of Canadian companies. In many cases which now exist where it is convenient for one company to hold the stock of several other companies, which in turn may hold stocks of subsidiary companies in order that different departments of the same business may be kept under different managements and therefore like different departments of the business, if I read these resolutions aright, the holding companies will pay taxes upon dividends received from the subsidiary companies; in turn the subsidiary companies will pay taxes upon their net operating incomes, and then the shareholders by whom dividends are ultimately received will also pay taxes on the dividends received by them. Thus under the existing practice which is pursued in many parts of this country the income tax will be not only doubled, but

tripled and in some cases quadrupled before the income of the enterprise reaches the shareholders by way of dividends.

There is also, as I have said, a discrimination against any industry or trade which is carried on by a corporation or company instead of by a private individual, in that the tax on the incorporated company is doubled or otherwise increased. The Canadian investor in shares of a foreign company pays only one tax, but if he invests his money in a Canadian company, as I have said, he pays at least a double tax and possibly a triple tax. The obvious result is to render it more and still more difficult to obtain funds for investment in Canadian companies carrying on corporate enterprises in this country.

I think the taxes as now imposed are prejudicial to a certain extent to the individual. The wage-earner who saves up out of his income a certain amount for the protection of his wife and children when he is gone, or for the protection of himself against old age or other disabilities, finds that by investing the proceeds of his thrift in a Canadian company, perhaps the company by which he is employed or in which he is an official, he thereby seriously impairs the amount of revenue which he, in case of incapacity, or his wife or children after him, would receive from the fund which he has laid up against such possibilities.

There are many anomalies in this income tax as we have it. For instance the rural resident who owns his house or his farm pays no tax whatever upon his investment nor upon the value or user of his house or farm. In the cities where we cannot afford to own houses, but where a man instead of investing $20,000 in a house might invest $20,000 in bonds or shares or other investment, he has to pay an income tax on the income of that $20,000 which he invests, we will say, in bonds of a Canadian company, and in addition he pays for rent or user of his house. Therefore, under the most favourable circumstances to him, he pays a tax on the amount of his rent or for the user of his house, which tax the man who has invested his savings in a house does not pay at all.

Mr. YOUNG (Weyburn): Could that man not afford to buy a house?

Mr. CAHAN: I suppose he could, but where we live in cities nine-tenths of us do not own houses.

An hon. MEMBER: Why not?

[Mr. Cahan.]

Mr. CAHAN: We cannot afford to own houses. What I am saying is this, that a man escapes taxation by owning a house. He avoids paying taxes if he invests his $20,000 in purchasing a house and lives in it, whereas if he invests that $20,000 in the stock of a Canadian company and uses the income to pay the rent, he has to pay income tax upon his income, including his rental value, while you gentlemen who live in the country and own your houses pay no tax whatever upon the user of your house.

Miss MACPHAIL: Not $20,000 houses.

Mr. CAHAN: Well, if you put it at $10,000 my position is just the same, or you may put it at $5,000. But I have travelled through the northwest quite a bit and I have seen many houses that could not be purchased for $20,000. Some of those houses may be occupied by hon. members of this House, if not by Progressive members, certainly by hon. gentlemen on the other side.

Mr. YOUNG (Saskatoon): Is it cheaper to pay rent than to own your own house?

Mr. CAHAN: I do not think it is; when I pay rent I pay the whole annual cost of the house.

Mr. YOUNG (Saskatoon): In that case you might as well own the house.

Mr. CAHAN: Possibly; it might be just as well for me to own the house. But I say that when I am not in a position to buy the house, or if I do not buy it, the present law discriminates against me. It discriminates against every man who pays rent instead of owning his property, and therefore it discriminates against every leaseholder in large cities where people cannot afford to own the land.

Mr. YOUNG (Saskatoon): This law does not prevent a man from owning his own house, and every man is to that extent a better citizen who does own the house he lives in.

Mr. CAHAN: That may be so; I am sure we should be better citizens if we owned our houses. The fact remains, nevertheless, that this income tax is full of anomalies.

Mr. BOURASSA: May I remind the hon. member that that has always been the case.

Mr. CAHAN: Certainly it is the case, but I am suggesting that if the Minister of Finance undertook to remove these anomalies under the guise of reducing the income tax his work has resulted in a still further increase in the anomalies and not in any reduction in the amount exacted from the

people in income tax. In my opinion—and I have a perfect right to my opinion although it may differ from hon. gentlemen's—a more unfair, prejudicial and discriminatory readjustment of the provisions of the income tax law could hardly be conceived than this presented for the approbation of parliament to-day.

Apart from the income tax, certain reductions in customs duties have been proposed, as for instance in the case of sugar, which I understand are made to comply with the provisions of the West India treaty. I think we are entitled to know why there should be any general reduction under present conditions in sugar duties. If we are to give a preference to the West India producers certainly we are in a position to raise the general tax so as to preserve the income which comes to this country from sugar. The tariff does not affect the export trade because in the export trade there is an almost entire remission of the duties paid. It seems to me that before this budget is considered in committee we should have some further explanation from the Minister of Finance of the particular provisions relating to the West Indies.

With regard to the further provision in the case of automobiles, that there shall be paid from the treasury by way of drawbacks of duty, refunds to the importers of component parts entering Canada for the manufacture, the construction, or the assembling of automobiles here, I would suggest that the whole system of drawbacks is wrong. It is simply a covert way of removing a fair protection from one of the great basic industries of the country. I consider the production of iron and steel in Canada as much a basic industry as the growing of wheat; it is the industry upon which a great number of our large industrial interests are founded and sustained. And since this government came into office, by its preferences in favour of Great Britain, by its preferences in favour of Belgium and France and other countries, by its repayment of drawbacks in favour of the United States —by all this discriminatory legislation it has weakened and impaired the great iron and steel industry of the country. That is entirely borne out by the facts which have been brought down in various government returns. For instance, in the year 1920 we had 1,475 plants engaged in iron and steel production, and in the manufacture of the products of iron and steel. In four years, up to 1924, the last figures available, that number has been reduced to 1,003. That industry in 1920 had a capital of $624,000,000, which in 1924 had been reduced to $535,000,000. It paid salaries and wages to 115,700 workmen and employees in the year 1920 and by 1924 that number had been reduced to 78,000, while the amount paid out to these workmen in the respective years was $158,000,000 and $99,000,000. The industry employed materials to the value of $321,000,000 in 1920. I have not the corresponding figure for 1924, but the selling value of the products, all of Canadian manufacture, produced by Canadian workmen, was $640,000,000 in 1920, reduced in 1924 to $370,000,000. The value added by Canadian workmanship and machinery, exclusive of material, was in 1920, $318,900,000 and in 1924 only $174,000,000. So that in the annual production of wealth in the iron and steel industry there has been a loss of $144,000,000, and this is due to the insidious and deceptive yet complete manner in which the legislation and the government policy of this country is undermining and destroying a great industry.

Mr. EVANS: If the hon. gentleman would permit me—would not the 1920 total be due to the inflated prices of that period?

Mr. CAHAN: They may be to a certain extent, but we have inflation in this country to-day; by the standard of 1914 or 1915, our dollar is only worth 65 cents.

Mr. MEIGHEN: Would the hon. gentleman permit a question? Is it not a fact that in the same time and on the same basis the American figures are very much greater now than in 1920?

Mr. CAHAN: I am prepared to show, if necessary, that this diminution in the productive activities of our own people is made up by the large importations which we are making of the same class of goods. That is the reason why although we were employing 115,760 men in 1920, we are employing in 1924 only 78,000—a very considerable reduction, due to 470 odd plants having been entirely driven out of business by the policy pursued by this government.

Now, I do not wish to enter upon a lengthy discussion of the promises and pledges made to the country by the right hon. leader of the government. The first time that his pronounced views on tariff policy came to my special notice was when he was entering upon his campaign in Nova Scotia in October 1921. There his policy was one of protection to the iron and coal industries of the province. On that pledge of protection to those industries he secured the return of a Liberal member for every constituency of Nova Scotia; the electorate believed him and voted for his can-

didates. There he said, according to the reports in the press:

> Free trade is not the policy of the Liberal party. If it were, I would oppose it because I believe it would bring disaster to our industries and remove from the farmers the home market, which is practically the only market they have left.

He continued:

> Free trade may be all right for the wealthy grain growers of the west whose wheat goes to the foreign markets and who do not have to worry about selling their products at home, but it would mean paralysis in the Maritime provinces.

Because of that pledge of the right hon. leader of the government he was supported by nearly all the constituencies east of the Ottawa river; they returned an almost solid phalanx behind him in the last parliament. But our anxiety was aroused when we read his address on May 15, 1924, in discussing the budget before the preceding parliament. There he declared that the policy of the Liberal party was:

> No more tariffs based on the principle of protection. That is our policy to-day, the policy of the Liberal party, proceeding step by step towards the goal of greater freedom in matters of trade, never imposing a duty for protection's sake, but always acting on the principle or the basis of a tariff for revenue, and revenue only.

In 1925 there was such a tremendous reaction throughout the length and breadth of the Dominion—I refer particularly to British Columbia, Ontario and the eastern provinces—against that pronouncement that he broached an entirely different policy to the country. We have his own statement of the grounds on which he appealed to the governor general for a dissolution in December last. We have his pronouncement made at Richmond Hill, where he said that his policy was that of appointing a tariff advisory board so that no manufacturer need feel afraid of sudden reductions in duty until he had had a full opportunity to have his case investigated by the proposed board. He declared then:

> I believe the people should be given an opportunity to pronounce upon a policy as far-reaching as that which is involved in this method of dealing with the tariff and other problems of taxation. This is another reason why I feel the time of general election should not be postponed.

You have all read in this House the pronouncement which he made in Oshawa on October 19, when he declared:

> There must be great care and caution used in adjusting the tariff to safeguard the industries of the Dominion. The only way to handle the matter of tariff is that a board of advisers, containing officers of the different departments of government, gather information that will be of service to the government in determining a tariff policy. In our opinion this is the only fair and just way to deal with the question.

We returned to Ottawa last January, convened by His Excellency as members of this House. There was very considerable anxiety on the part of the leader of the government on meeting the House as to whether he would be able to secure the support of a majority of the members, his party representing only 101 votes and the Conservatives representing 116 votes. He again approached His Excellency and through him made an address to this House dealing particularly with tariff issues. He knew, just as well as I and other members of this House know, that there are a number of hon. members representing the same province which I have the honour to represent who in their public and private utterances freely and frankly declare that they are in favour of adequate protection for the industries of this country. While he was angling—if that is the proper term to use—for the support of the Progressives of the west, he was anxious to retain the support of the members on his side of the House representing Quebec constituencies where important industries are employing large numbers of men and need a safeguarding tariff for their protection. Therefore the right hon. leader of the government came to this House and through the address from His Excellency the Governor General made a solemn pledge to the House and to the country that changes in the tariff would only be made after the fullest examination of their bearing upon primary and manufacturing industries. That pledge gave some assurance to those people whose money was invested in industry, and to those who were employed in industry, that their interests would not be suddenly dealt with. But it became necessary, because of my hon. friends to my left and the leader of the Progressive party, who possesses the entire political authority of this country with no political responsibility except to his own constituents, that a blow should be launched at the automobile or motor power industry of this country. The right hon. Prime Minister had no alternative but to bow the knee to Baal and repudiate every solemn pledge he had given to this country through the mouth of His Excellency the Governor General.

Mr. FORKE: Might I be allowed to ask the hon. member what proof he has for his last statement?

Mr. CAHAN: Does my hon. friend deny that he and his friends demanded it?

Mr. FORKE: My hon. friend is like a Scotchman, who tries to answer one question by asking another.

Mr. CAHAN: I have some Scotch blood, and that is the only way I can deal with a Scotsman. I think that condition is pretty well understood in this House and in the country; the actual conditions disclose that the right hon. Prime Minister dare not introduce a single measure that has not first been reviewed by the hon. member for Brandon (Mr. Forke). Further than that, he dare not introduce a simple resolution until the whip of the Progressive party or some other prominent member has been interrogated as to whether or not the Progressives will support it.

Mr. EVANS: Very good.

Mr. CAHAN: I am glad my hon. friend admits it. It is recognized by the whole country, and by my hon. friends also. But that is destruction, that is an end to responsible self-government in Canada. It is impossible for the leader of a government to give any pledges to the country or to bind his honour with respect to any proposed programme, because he knows that he is utterly unable to carry it out unless those few gentlemen at my left subsequently endorse it.

We have a clear cut distinction between the tariff and fiscal policies of the right hon. Prime Minister and those of the Conservative party. It is discussed by the members of the House, and clearly recognized, that all measures which have been introduced by the government during the present session and all the changes proposed in the tariff or in taxation are for the purpose of binding to the support of the Liberal leader and the Liberal government those who are not fully convinced of the wisdom of his general policy, and those who are not prepared to give him support on general political grounds. The result has been to undermine public confidence in the government from one end of this country to the other. There are many men who are not so closely interested in the tariff as to care, individually, as to whether a protective policy or a free trade policy is best. But they are suddenly discovering that stability of tariff and stability of commercial and industrial conditions affect tens of thousands of men who thought they were not interested in the tariff, and that they were not effected by it.

It must be admitted that our production is decreasing. I have statistics galore which show that during the last five years we have been ceasing to produce those commodities manufactured by the industries of Canada; year by year as we produce less we import from abroad those commodities manufactured elsewhere which are taking the place of commodities formerly manufactured in Canada. If hon. gentlemen will examine the trade returns for last year or for the previous year they will find that of approximately one billion dollars of imports brought into this country, five hundred million dollars represent commodities which could be produced in Canada by Canadian labour, Canadian capital and Canadian machinery. This would and could give employment to at least a quarter of a million people in addition to those already employed, giving sustenance and a livelihood to at least a million more Canadians than we have in this country at present. In other words, if we had what the hon. member for South Toronto (Mr. Geary) referred to the other evening, a tariff adequate to our needs, we could bring back the half million people who in the last five or six years have gone away, and we could bring into this country and employ at a rate of wages corresponding to that prevailing in the United States and higher than that in England or in continental Europe, workmen and their families numbering five hundred thousand more.

I am convinced, Mr. Speaker, that we never can build up this country; we never can develop it—except for wheat growing—unless we safeguard industry so as to produce in this country those commodities now imported, carrying to the final processes of manufacture the raw materials and other commodities which enter into our factories as raw materials. We must develop all along the line. It is utterly ridiculous to say that you can place this country in a sound and prosperous financial, commercial and industrial condition simply by bringing in farmers from England or somewhere else to grow wheat on the western prairies. Grow wheat? Yes; let us give every possible inducement to the growing of wheat, but let us not forget that if we are to have a general expansion of trade and business; if we are to increase our population to enable us to sustain and pay off our national debt and to reduce the individual burden of taxation, we need a million people, and a million people cannot find places on western farms for at least ten years to come. We now purchase commodities from abroad, thus giving employment to foreign labour. We bring them into this country and pay for them by the raw products of Canada which we send abroad, thus exhausting the natural resources of the Dominion for that purpose. If we reverse that policy and manufacture at home we can place this country in a position

of prosperity unequalled by any other country on the face of the globe. Because we have still in Canada the natural resources, at present unexhausted, which are the very foundations of industry and which will enable us, if we decide to manufacture our own commodities in Canada, to bring them, through the highest processes of manufacture, to a completed state.

Now there is a clear distinction to be noted. I have talked to some of my Progressive friends in this House. I have talked to many of my Liberal friends from the province of Saskatchewan. I am attracted by their complete sincerity in dealing with this trade question, and I think that they realize that many of us on this side of the House are equally sincere. But I wish to say to them that our position is this: The policy of this government, which, to use their terms, is to develop primary industries and to export primary or raw products to foreign countries for the purchase abroad of manufacturing commodities, will show, as it has shown last year, an enormous expansion of export and import trade; but every dollar that we send out for the purchase of commodities abroad which we could produce in this country represents one dollar of value which, if put into circulation in Canada to employ labour and to manufacture commodities here, would be worth five times as much or five dollars, in the domestic trade of this country. Now such a policy—

Mr. YOUNG (Saskatoon): How are you going to sell your goods if you are not prepared to buy goods? Will the hon. gentleman explain that to the House?

Some hon. MEMBERS: Oh, oh.

Mr. CAHAN: The only goods that we want to sell abroad—and it will be a diminishing quantity as the years go by—are the products of the wheat fields in the northwest. For all other products we can, by providing a million more people, find an adequate market in this country.

Mr. STEWART (Edmonton): Why not eat the wheat too?

Mr. CAHAN: Because the wheat is produced in such quantities that we cannot at present consume it in this country. Perhaps it is a fortunate thing that we cannot, because no matter how much we produce in this country we must have a certain amount of foreign trade, and we must be in a position to purchase.

Mr. STEWART (Edmonton): I thought my hon. friend would say that.

Mr. CAHAN: We need the wheat in order to purchase abroad such raw products as we require in Canada which are not produced here. But every dollar that we send abroad unnecessarily—not for the purpose of purchasing cotton, tin, or certain other raw products which we do not find in this country, but to purchase manufactured commodities—is detrimental to the highest well being and welfare of the whole industrial classes of this country.

Mr. EULER: Is the hon. gentleman advocating that we should not export manufactured products?

Mr. CAHAN: Well, after we have supplied our own country to its limit there may be a certain surplus of production which we could possibly afford to send abroad. But the object and purpose of the present government is to neglect, to undermine and to destroy the industrial activities of the eastern provinces of Canada, and to use the surplus products of the west for the purchase of manufactured products abroad, which are being brought in month by month and year by year to take the place of commodities previously manufactured at home, thus driving our own people out of employment and giving work to the people of central Europe and other countries.

Mr. YOUNG (Saskatoon): You advocate a tariff sufficiently high to prevent the importation of manufactured goods of a class that we produce in this country?

Mr. CAHAN: I am going to expound my theory in a moment, and I think that exposition will fully answer my hon. friend. If he does not think so and will repeat his question at the close of my speech I will endeavour to answer him. I say we ought to give every encouragement and assistance to the production of wheat and other grains of the middle west. Do not misunderstand me with respect to that. I say that at the same time we ought not to neglect and discourage, we ought not to discriminate against and destroy, the industrial life of these eastern provinces and of the province of British Columbia. We of the Conservative party, I think, should be prepared to co-operate in giving essential assistance and supervision to the incoming immigrants in the west who are now being located chiefly on these western farms. We should be willing to assist in every way in increasing the supply of farm labour until that supply is fully met; we should assist in every reasonable measure to consolidate settlement in the western railway belt, to ensure reasonable freight rates for the transportation of surplus products of grain from the west to the

seaboard—either east or west—and even assist it in its transportation overseas. But the farmers of this country are not the only body who contribute by their labour to the productive activities of this country, and my contention is, because it is my sincere belief, that the men who produced $465,000,000 in 1923 and $640,000,000 in 1920 of the products of iron and steel are adding just as much, dollar for dollar, to the wealth, the prosperity and the wellbeing of Canada as the workmen of the west who produced $640,000,000 worth of wheat.

Mr. FORKE: I suppose the hon. gentleman has paid particular attention to the conditions of agriculture in the United States. Has he any explanation to give as to why agriculture in the United States finds itself in the position it is in to-day?

Mr. SPENCER: With a high tariff, too.

Mr. CAHAN: I will tell my hon. friend one reason for the conditions in agriculture in the United States, especially in the grain trade.

Mr. FORKE: My hon. friend is doubtless aware of the Capper Bill.

Mr. CAHAN: I sat the other night by a member of the Senate of the United States, the very able and representative member of one of the western states, and he said, speaking of the relative situation and the condition of the farmers in the western United States as compared with the farmers in our own northwest, that we had conceded to the Canadian farmer reduced freight rates, reduced cost of transportation, which placed him in the most enviable position of any farmers in any country of the world to-day. That was his view; I do not profess personally to know sufficient about it.

I quoted the other day the sworn evidence given before the railway commission as to the cost of carrying wheat. I will not repeat, but I am waiting, as my hon. friend doubtless is, with considerable anxiety the production in this Houses of the actual figures to show whether or not that wheat is bearing the cost of its transportation to Atlantic ports.

I am convinced also that my Progressive friends from Alberta and Saskatchewan must and do recognize that their position is exceptional in this country. Theirs is a branch of farming carried on under special conditions, requiring special encouragement, to be made prosperous by special forms of legislation and co-operation in government administration. So far as I am concerned, and so far as most intelligent people whom I represent in the city of Montreal are concerned, I believe they are prepared in every reasonable and effective way to give what assistance they possibly can. I know that some hon. gentlemen have referred to me as representing St. James street. Now St. James street is not in my constituency.

Mr. EVANS: Will the hon. member explain what special legislation and what special encouragement the western farmer from Saskatchewan and Alberta has received?

Mr. CAHAN: If the hon. member will look at the legislative programme of this government he will find that it is designed for that purpose. Whether or not it will be effective in achieving that purpose I cannot say.

Mr. EVANS: Will the hon. member tell us what it is?

Mr. CAHAN: In the first place, it is proposed that we should reduce, to the extent—suggested by those who have made a careful estimate—of $50,000,000, the mortgages outstanding on a certain body of farmers in the west called the soldier settlers.

Mr. SPENCER: Is the soldier settler not also located in the east?

Mr. CAHAN: Very few indeed.

Mr. SPENCER: Are they not a federal responsibility?

Mr. CAHAN: No, I do not understand so. However, I am getting off my subject. The large appropriation which has been made for soldier settlers was not directly and ostensibly for the purpose of settling them because they were soldiers. I understand the country was taking advantage of the fact that a large number of Canadians were willing to go on the land, and some preference was given to them rather than to foreign settlers.

Mr. YOUNG (Saskatoon): Is the hon. member objecting to that?

An hon. MEMBER: Sit down.

Mr. YOUNG (Saskatoon): Will the hon. member permit a question?

Mr. CAHAN: I told the hon. member I would answer his question when I got to the end of my discourse. I am convinced that, as they enter more and more upon diversified farming in the west—

Mr. SPENCE (Maple Creek): Do not tell us how to farm.

Mr. CAHAN: I am not telling my hon. friends how to farm; I am not even suggesting it. But all the wisdom of the world is

not concentrated in western constituencies. I have great respect for the hon. member who interrupted me, because I realize that he knows more about farming than I can ever hope to know. But I can state the grounds of the faith and the confidence that is in me, and I say that when the hon. member for Brandon (Mr. Forke) will undertake, in a duly protected market, to raise wool, for instance—

Mr. FORKE: I do raise wool.

Mr. CAHAN: And sheep and lambs—

Mr. FORKE: I raise them.

Mr. CAHAN: And sell them in the market

Mr. FORKE: Yes, I do that right along.

Mr. CAHAN: When my hon. friend undertakes to raise these products in a properly safeguarded market he will increase his income ten times what it is to-day, and that trade would be far more profitable to him than all the wheat and grain grown on his farm.

Mr. ROBB: Will the hon. member permit a question?

Mr. CAHAN: Yes, and I know what it is before the hon. minister asks it.

Mr. ROBB: Would you put a duty on wool?

Mr. CAHAN: Yes, certainly I would put a duty on wool. My hon. friend has asked that question time and again in this House, as if he were questioning some ignorant class of scholars who did not understand the basis of that industry, and trying to make them think they dare not place a duty on wool. I would put a duty on wool and assist every farmer who is raising sheep and lambs. I would produce wool in this country as far as it could be consumed by our factories, and make Canada deal independently of every foreign country as far as possible. I think this country in its wisdom will soon find it is unprofitable to send out its wool in car loads for manufacture in other countries into clothing, to be shipped back in bales and parcels in finished form to keep us warm in winter. The sooner we produce within our own boundaries every commodity which is natural to the country, and manufacture it here in all its processes, the sooner we shall enjoy industrial activity and commercial prosperity such as has not been known in this country during the last twenty-five or thirty years.

For my part I say—and I say it clearly—that I do not believe the industrial prosperity of Canada can be maintained by a government which is not prepared to challenge every hostile tariff which it finds opposed to the admission of its own products. It is absolutely necessary that we should pursue a policy of tariff stability so that Canadian industry will know exactly where it stands and not be subject to these interminable changes of tariff such as hon. gentlemen opposite have introduced within the last five years, changes which have only one result, namely to destroy our manufacturing industries, send people out of the country, and, as I said before, undermine the entire confidence of those who have money to invest in our own undertakings.

Situated as we are in close proximity to the United States, it is absolutely necessary that we should take conditions which prevail there into consideration in dealing with the question of tariffs. I do not wish to discuss at length this automobile question. I have read every document which I have received through the mail from those who advocate a lowering of the duty and also from those who advocate the retention of the duty I have read the addresses of hon. gentlemen on both sides of this House dealing with the matter. I am accustomed to deal with facts and figures; I am accustomed to deal with statements of account, and I say that I am not yet able to form an opinion as to whether there is any just cause for reducing the tariff on automobiles a single one per cent. I do not believe there is a gentleman on the opposite side of the House who really knows all the facts.

I find that located within the limits of the city of Montreal, a place where I did not imagine any person was interested in the production of automobiles—I thought that was confined to Ontario and to a few towns in Ontario—there are twenty-eight establishments which have put before me their claim that the automobile industry should not be prejudiced or destroyed because a large proportion of the products of these various concerns find their way ultimately into finished automobiles. The matter has equally broad ramifications throughout the entire length and breadth of the country, and I repeat, hon. gentlemen are pledged, before they make such a reduction, to have a thorough public investigation before their tariff commission.

I quite agree that any industry which is protected and safe-guarded by public legislation of any kind, by tariff legislation or otherwise, becomes to that extent quasi-public in its nature and it assumes special obligations to the public as long as it enjoys that safeguarding provision or protection. It continues in many cases to be privately-owned and privately-managed, but it becomes subject to certain limitations arising from the equally fundamental rights of those to whose well-being its products contribute. It exists

and it must exist as a profit-making enterprise; otherwise it cannot exist under our modern industrial conditions because unless it yields a profit it will not continue to function in this country. But the public has the essential right to receive from that enterprise or industry the most effective service possible at prices which, providing a stable and certain profit for the investor, will nevertheless stimulate home consumption and tend to improve the general standards of living in this country in which its products find their market. Such an industry should be in a position and should be required by the public and the government to take advantage of all improvements in art and science in order to extend its operations as reasonably required and in order to produce commodities of the best quality at prices commensurate with those which are paid in other countries operating under similar conditions.

All this requires ample funds and credits and that no industry can obtain if it is to be the victim of rapidly changing tariffs and values which are the bane of all manufacturing industries. Therefore this country owes, I think, due protection to its industries, but no industry has the right to use the public protection which it receives through the tariff or otherwise for the purpose of profiteering at the expense of our domestic consumers.

Mr. YOUNG (Saskatoon): What did Mr. Ford have to say on that very thing the other day?

Some hon. MEMBERS: Oh, oh.

Mr. YOUNG (Saskatoon): Hon. members do not like to hear that.

Mr. CAHAN: I will deal with Mr. Ford in a moment, but I want to lay down the general conditions as they appear to me. I am speaking simply for myself and giving my own view. Therefore it has been admitted by successive leaders of successive governments of this country that if the stability of an industry is threatened it has paramount right to a full inquiry before some independent or semi-independent tribunal before final judgment and condemnation is passed upon it. Such full inquiry, such independent investigation has never been accorded to the automobile industry of this country.

The tariff changes which have been proposed are admitted by the Minister of Finance to be due to public sentiment and not to a public inquiry into the fundamental conditions surrounding the industry. If public sentiment is to prevail in a country such as this in preference to a judicial or quasi-judicial inquiry, there is no innocent man who would be kept out of the penitentiary. There is no place in Canada for public sentiment which is another word for individual or general prejudice. You must deal fairly with these men whom you have invited to come into this country, and establish factories here.

In case profiteering is established, I wish to repeat what I stated the other day that in my opinion a reduction in the tariff is not the efficient and advantageous way of dealing with the problem. The removal of the protective principle, whether that principle is embodied in a tariff or other legislation, serves only to destroy the domestic industry and to transfer to foreign competing countries the employment and the profits which should be retained by Canadian labour and Canadian investment. It sends our expert workmen out of the country to obtain employment. It ruthlessly destroys the capital invested in those industries. It paralyzes the home industry, renders thousands of our people homeless, causes the abandonment of our towns and villages, and the destruction of civic life and property. It is burning down the house to cook the pig. It is absolutely essential for the well-being of this country that the government should devise other ways and means for preventing profiteering. I am convinced that on the part of 90 per cent of our industrial establishments there is no profiteering, and if there is profiteering among the other 10 per cent, then it is the duty of the government to devise other ways and means of defeating the profiteer than by destroying the town and village life in the places where such industry is conducted.

Mr. POWER: What means would the hon. gentleman take?

Mr. CAHAN: I made a suggestion to the House the other day, that where a company was found upon examination to be profiteering there should be immediately imposed upon it an excise or a business tax which would render it impossible for that company to make a larger profit than might be considered reasonable.

Mr. POWER: That is a matter of appreciation, is it not?

Mr. CAHAN: It always is a matter of appreciation. Now hon. gentlemen refer to the case of Mr. Ford. They say that from an original investment of $125,000 or thereabouts his company has now a capital of some $6,000,000 representing assets of between $8,000,000 and $9,000 000, bringing in a profit of $6,000,000 annually. I think that, in round figures, that is their contention.

What disadvantage would it be to Mr. Ford to remove the tariff on automobiles? Why, the removal of the tariff is the very thing which Mr. Ford and his associates are anxious to obtain, for tariff removal would enable them, by increasing their production in the American factories by five per cent, to supply all the requirements of Canada for Ford automobiles annually at any price that Mr. Ford might be prepared to fix. There may be a reduction in the price of automobiles, because a number of dealers have automobiles on hand, which, as a matter of fact, they are advertising at lower rates in order to get rid of them. But while I am neither a prophet nor the son of a prophet I venture to suggest that within a year American factories will be supplying these same automobiles to the Canadian consumer at relatively higher prices than they are now supplied by Canadian factories. Furthermore, I have not seen any statistics—although I have tried to read them all and examine them fairly—which indicate that any other factory than the Ford has been making an undue profit out of the automobile industry in Canada.

An hon. MEMBER: That is due to organization.

Mr. CAHAN: Yes, but it is due as well to patents and a thousand other things. It is due chiefly to the fact that Mr. Ford controls a market in the United States of 110,000,000 which he is supplying with 2,000,000 cars of a standard size every year. In addition to that he has the advantages of mass production, so that he can undersell any competitor or raise or lower his price as he sees fit. But if the Canadian government were to impose a proper excise tax upon the Ford company in this country it would stop the profiteering complained of. I would impose such a tax as would prevent that $6,000 000 from reaching the pockets of Henry Ford. I would put on such a business tax as would make it unprofitable for him to charge the consumers of this country a price higher than would yield him a reasonable profit.

Mr. POWER: Does the hon. member wish to return to the business profits tax?

Mr. CAHAN: We have a business profits tax in this country at present. Whether we might amend that provision or levy a special excise tax I am not suggesting at the moment.

Mr. POWER: A tax based on profits.

Mr. CAHAN: Based on undue profits. I would take away the extravagant profits from industrial concerns which make use of the Canadian tariff for the purposes of profiteering. I would discharge my public duty to the consumers of Canada by thus dealing with the ten per cent or five per cent of the factories that make that improper use of our tariff. We are, I believe, sufficiently intelligent in this country to devise ways and means of preventing profiteering to any undue extent, and certainly we can devise means of limiting the profits of a company such as the Ford.

Mr. POWER: The moment we applied any such excise tax, does the hon. member not think that we should hear a wail from certain towns and villages in which these concerns were situated to the effect that we were putting them out of business?

Mr. CAHAN: Possibly, but I am not dealing with wails of that kind.

Mr. POWER: What have you been doing all evening?

Mr. CAHAN: That is a fair retort, although I think it is a discourteous one. However, I accept it as courteous.

Mr. POWER: I am sorry if the hon. member thinks it was otherwise.

Mr. CAHAN: We are living in proximity to the United States and for years we have been endeavouring, Liberal governments as well as Conservative, to induce large producing manufacturing industries across the border to come into Canada and establish branch factories here. They have come in and given employment to thousands and tens of thousands of our people; new towns have been built up; new municipalities and cities have been established with all the various forms of municipal and civic life. Now we find one man profiteering unduly, and the only remedy that the Minister of Finance can suggest is to reduce quite materially the tariff which safeguards that industry. If carried to its logical conclusion that tariff reduction will result in the destruction of the automobile industry in this country, enabling the parent Ford industry in the United States to supply all its products to this country at prices which Mr. Ford may choose to fix.

Mr. STEWART (Edmonton): I am interested to know how my hon. friend arrives at the conclusion that interference with the tariff here will affect the fixation of prices in the United States.

Mr. CAHAN: I am dealing with the Ford Company, which is charged with undue profiteering. Mr. Henry Ford can fix prices in Canada just as he sees fit if the tariff is removed.

Mr. STEWART (Edmonton): Why should the tariff have any influence on the fixation of his prices either up or down on the American side? I am referring to the American prices.

Mr. CAHAN: Hon. gentlemen have said that allowing for the extra sales tax and for the fact that every man in this country pays 25 per cent of his entire income from productive activities to the federal, provincial and municipal governments by way of taxation—

Mr. STEWART (Edmonton): I take issue with the hon. member on that point. However, that is not what I am getting at. How does my hon. friend argue that our interference with the tariff can affect prices in the United States?

Mr. CAHAN: Hon. gentlemen are saying that, making allowance for everything in his favour, Mr. Ford is profiteering and charging an unreasonable price for his automobiles manufactured in Canada. You meet that by reducing the tariff. I say that has certain disadvantages to this country which I have enumerated, such as lack of employment and the transferring to the United States of the manufacture of the Ford car. Hon. gentlemen may laugh—

Mr. STEWART (Edmonton): I am laughing because that is not an answer to the question I asked my hon. friend. I am interested in his argument that the lowering of the tariff would permit Henry Ford and other American motor manufacturers to fix whatever prices suited them. I want to know what particular effect the tariff would have on the price of the car manufactured in the United States.

Mr. CAHAN: Either I am very stupid or the hon. minister is not stating his case very clearly. I do not say that it has any effect upon the price at which the car can be manufactured in the United States; but Henry Ford can fix any price he likes, either in the United States or Canada, his company will manufacture the car in the future in the United States, possibly assembling the parts in Canada, and he will fix the price in Canada within any reasonable limit that he sees fit.

Mr. HOWDEN: Does the hon. gentleman suggest that the Canadian price will be greater than the American price? If so, why?

Mr. CAHAN: I do not know, but I say Henry Ford has it entirely in his hands to fix the price.

Mr. KAISER: What did the Belgians do in the matter of glass?

Mr. CAHAN: I have a dozen such cases before me if it were necessary to go into them, but I will take only one. Before the war Germany was producing dyes and selling them in the United States at certain prices per pound. The United States put up a tariff and thereby encouraged the domestic manufacture of dyes. The Germans thereupon lowered their price to such a level that it enabled them to overcome the American tariff and destroy the American dye factories. As soon as that was done they not only raised their price to the old level but added a fraction to make up for the profits they had lost while the American factories were functioning. Take any similar case and you will find it so.

Mr. HOWDEN: Does the hon. gentleman suggest that the American manufacturers would demand a greater price from Canadians than from their own people?

Mr. CAHAN: I have not the facts, but I have from as trustworthy authority as that of hon. gentlemen opposite with regard to many of the statements they made about the Ford car that the Ford company does discriminate sometimes as between different cities and districts. Naturally, you say, cost of transportation may account for this, but I believe there is that discrimination. And if you take down the tariff I can see no reason why, so far as the Ford car is concerned, the price should not be fixed in Canada at any figure Henry Ford sees fit to demand.

Mr. POWER: Cannot we apply the hon. gentleman's business tax in that case?

Mr. CAHAN: I do not see how you could.

Mr. POWER: Apply the sales tax here.

Mr. CLARK: Then you would pay it.

Mr. POWER: You would pay it, anyway.

Mr. CAHAN: Now, my suggestion is that we should not admit we are so wanting in intelligence as not to be able to devise ways and means for putting an end to profiteering without burning down our industrial establishments.

As it is nearing eleven o'clock and I wish to conclude, let me say I regard it as absolutely necessary for the proper development of our industrial life that we should have a wise and vigorous government policy that persists in the single aim, year in and year out, through one administration after the other, no matter what political party may command a majority in this House—the single aim of maintaining a stable tariff which is not subject to sudden change for the pur-

pose of helping the friends of one political party or of injuring the friends of another political party; a policy which is not subject to change except after due inquiry and careful consideration and a report to the government and to this House in justification of the change proposed. The changes which have been made under present conditions have unsettled the whole country. Gentlemen opposite may smile and think they are proposing something which is accepted generally from one end of the country to the other. That is not so. The cheerful smile which pervaded their countenances on the day the Minister of Finance announced his budget has entirely disappeared—

Mr. STEWART (Edmonton): When?

Mr. CAHAN: From the faces of hon. gentlemen opposite.

Some hon. MEMBERS: Oh, oh.
An hon. MEMBER: Not from these faces.

Mr. CAHAN: Furthermore, it has created throughout the country such lack of faith in the pledged word of honour of hon. gentlemen opposite, that if they went to the country tomorrow or a week hence, so long as the memory of that breach of faith is in the minds of the electorate, they could not succeed in retaining two-thirds of the support which they now have in this House.

Mr. C. E. BOTHWELL (Swift Current): Mr. Speaker, after listening to the various speeches on the budget it would almost appear that there was nothing further to be said, but every hon. member seems to be able to raise something new. I intend for a few minutes to speak in the hope that I may be able to disabuse the minds of some hon. gentlemen of the wrong impressions that have been conveyed to them.

Let me say, though, that I have no doubt hon. members on both sides of the House are anxious only to assist in legislation that will be in the interests of Canada as a whole. We cannot all see things alike, and we are all prone to take a different view of the same set of facts. But we do hope that a thorough discussion of any subject may enable us to arrive at a conclusion that will give us a proper solution of our difficulties. We are somewhat prone to stress the importance of our own constituency or our own province, but I think we all realize that no matter what part of Canada we come from we all belong to this great Dominion and must assist in legislation which is in the interests of the country as a whole.

[Mr. Cahan.]

It must be a matter of congratulation to the Minister of Finance (Mr. Robb)—indeed, to everyone—to see that we are at last emerging to some degree from the clouds of debt with which we have been surrounded. We know the Great war entailed a tremendous expense, and that we had to assume tremendous obligations after the war during the period of reconstruction. An enormous debt was then piled up, and it is now our duty to see that debt liquidated. Our favourable position, as announced by the Minister of Finance in his budget address, is to no small extent resultant from the bounteous crops with which we have been favoured for the past two years, but our bounteous harvests are not sufficient without other means by which use can be made of them. The Minister of Finance was able to announce that Canada's favourable financial position is due in part to the trade treaties into which Canada has entered. Those treaties, together with the wonderful harvests, have enabled us to bring forward the budget which was presented the other day.

Since this session opened I have at times been alarmed by the statements made from opposition benches as to the dire straits in which Canada found itself. During the early days of the session particularly, we were almost convinced that we were on the verge of bankruptcy; from what various hon. members opposite said we might almost have thought our own conclusions wrong. We had been led to believe that Canada was in a fairly prosperous position, judging from newspaper reports, statements of financial institutions, market reports of various kinds and agricultural conditions generally. Imagine then, how we looked on the situation when we heard what hon. members had to say in this House. We were also surprised to learn, coming from a province which has been developing its dairy industry, that the dairy and poultry industries were being destroyed by the Australian treaty; we could scarcely believe it. I believe that suggestion has been dissipated by the speeches since made in this House, and I do not intend to deal with that question. We were also surprised to learn, from the speeches of hon. members opposite, that there was no legislative programme in favour of the farmers of Canada; now we hear that the legislative programme is all in favour of the farmers of western Canada.

The Speech from the Throne held out hopes of a legislative programme in the interests of Canada from shore to shore. It is true that Maritime conditions were such as to make it a difficult matter for any government to bring down legislation which would satisfy the people of the Maritimes. I have listened

to the speeches in this House dealing with Maritime rights, and I must confess that I do not yet know definitely just what Maritime rights are, nor do I know what legislation the Maritime righters require in order to have their claims satisfied. We are told of promises made when the Maritime provinces entered confederation; those promises, so far as I know, have been fulfilled. Then we are told of understandings reached between various parts of Canada at that time, and judging from some of the speeches there were some such understandings. If it is possible for the people of Canada to carry out not only those promises but the understandings as well, that should be done, but I believe we will know what those understandings and rights are through the commission appointed to inquire into this question. Surely that commission can bring recommendations to this House which will result in legislation to relieve, to some extent at all events, the people of the Maritimes.

It is claimed that immediate steps should be taken to encourage and foster the coal industry in the Maritimes. We expect the commission to go into that question and make recommendations, but I do not know whether the claims made for the Maritimes would be permanent solution of those difficulties. I hardly know whether sufficient stress has been placed on the condition of the coal industry, not only in the Maritimes but throughout the world.

Mr. STEWART (Leeds): Would the hon. gentleman allow a question? Would he, as one of the representatives of western Canada, be in favour of giving the Maritime provinces freight rates on a parity with those fixed under the Crowsnest pass agreement and subsequent legislation?

Mr. BOTHWELL: If the Maritime provinces were placed in the same position as western Canada in connection with their shipments, I would be quite willing to concede them the same freight rates. I believe, however, that there is possibly a considerable difference, so far as shipments are concerned, between the Maritimes and western Canada. I think it would be the duty of this commission to inquire into this very matter.

Mr. STEWART (Leeds): I would like to ask what difference there is. Is it not a question of getting the products to the markets?

Mr. BOTHWELL: There is a difference, as I see it. In spite of the quotations and citations made in this House to show that the rates on shipments of western grain to the east occasion a loss to the railways, I believe—and in fact we know—that when great shipments of grain are moving east the railways are making their big profits, and I believe the grain coming from western Canada pays its way and leaves a reasonable return to the railways. If that commission finds, in studying Maritime conditions, that the freight rates from the Maritimes to central Canada should be reduced, I would say they should be reduced, and I believe there are two commissions inquiring into that matter at present.

I was speaking of the coal industry in Nova Scotia and the changing world conditions so far as coal is concerned. From the Daily Mail Year Book of 1926 I take the following statement, made by F. H. Rose, member of parliament for Aberdeen. He says:

> It is difficult to conceive a more serious and thought-compelling prospect for a great industrial nation, than the chronic decline in one of its major activities and this we have to face and deal with. The facts are clear enough. Before the war, unemployment in the sense that it now exists was an unknown element in colliery work. Men were temporarily out of work through defects in their working places, odd individuals were employed for various personal reasons, but a mass of colliers without employers and without jobs was unknown. To-day there must be at least as many chronically unemployed as shown in the table appended.

I will not read the table. He goes on to say:

> It is not without serious thought that I submit the proposition that the coal trade is declining, and it will continue to decline as years go on, until it ceases to be major industry—here and elsewhere in the world. For the phenomena of a current transition are apparent all over the world. The rapid development of the motorship and the motor tractor are not entirely accountable for the conditions. The use of hydro-electricity by Italy and the Scandinavian nations has closed or is closing our middle coal markets (our distant markets were never very important). Our iron and steel manufactures are steadily passing from coke to electricity and their processes. Every effort of the modern scientist and inventor is directed now to economizing coal and the production of cheaper and cleaner and vastly more effective agencies for raising power, light and heat.
>
> The effect of these innovations bears so heavily upon the industrial and social life of our people that an industrial writer may well be excused for emphasizing it. No reflective person can avoid the inevitable implications which arise from its consideration and the simple fact is that the world is using less coal to-day than it used yesterday and will be using less to-morrow than to-day. It is superfluous to stress the importance to our nation of a declining industry or its bearing upon the questions of unemployment and our social life.

Now, just what the situation is in the Maritimes so far as the coal industry is concerned, having regard to that portion of Mr. Rose's address which I have read, I do not know, but I am prepared to say,—and I believe I am speaking for western members generally when I make the statement—that

when a commission brings in a report setting out the remedies, as they see them, for the situation in the Maritimes, I believe that every western member will be prepared to support legislation that will ameliorate those conditions.

Mr. MACDOUGALL: May I ask the hon. gentleman this question: If a commission investigating, for example, the coal industry in Nova Scotia should report back that the thing needed is increased protection, would the hon. gentleman be prepared to support that recommendation?

Mr. MEIGHEN: Hear, hear.

Mr. BOTHWELL: I would not want to answer that question just in the bald way in which it was put, but I would say this: So far as we in the west are concerned the protection on coal that is asked for by the Besco Bulletin will not affect us. There is no reason that I can see why I would not support protection of that kind if it was going to benefit the Maritimes.

Mr. MEIGHEN: Hear, hear. Will the hon. gentleman permit another question? He said he would support the finding of the commission as respects Maritime railway rates. He also said that the matter was before two commissions. If the two commissions report differently, which one will he support?

Mr. BOTHWELL: If my information is correct, the Board of Railway Commissioners are studying the question of freight rates. That will be a matter, as I understand it, of finding out whether the rates should be lowered or increased. That is the purpose so far as the railways are concerned. The other commission appointed to inquire into Maritime rights will be supposed to bring in some recommendation that will provide a solution of the difficulties in the Maritimes.

Mr. MEIGHEN: Including railway rates. Now, I ask the hon. gentleman this question: If they differ in their reports, which one will he support?

Mr. BOTHWELL: I think my right hon. friend is a lawyer. He must know that I am not able to say, before reading the report, which one I should be prepared to follow. You cannot come to a conclusion until you have before you the facts to base a conclusion upon.

Mr. MEIGHEN: The hon. member told us he would follow the commission. I just wanted to know which one he referred to.

[Mr. Bothwell.]

Mr. BOTHWELL: I think the right hon. gentleman is mistaken when he states I said I would follow the commission.

Mr. MEIGHEN: On railway rates, yes.

Mr. BOTHWELL: I stated—at least I intended so to state—and if I made a misstatement I will correct it now—that when that commission brings in a report—

Mr. MEIGHEN: Which one?

Mr. BOTHWELL: Either one—any commission which will give us a statement as to what should be done in order to remedy the conditions in the Maritimes—I believe the members from western Canada will be prepared to support legislation that will be in the interests of the Maritimes as shown by the report.

Mr. MEIGHEN: That is not the question.

Mr. BOTHWELL: In addition to the coal industry there is the iron and steel industry in the Maritime provinces, and in this connection I have been much interested in reading the publication known as the Besco Bulletin. I have endeavoured by a study of that publication to find out, to some extent, what the trouble is in the Maritimes. I find from the issue of April 24th that they have four serious disappointments in the budget. They are as follows:

No. 1. Failure to adjust the specific duties on the basic forms of iron and steel so as to bring their ad valorem effect up to the general level of duties on other materials.

No. 2. Failure to correct the mistake made last year when the duty on bituminous coal was lowered three cents instead of being raised, and failure to make anthracite screenings dutiable at the same rate as soft coal with which it competes.

No. 3. Failure to take up the matter of dealing effectively with the importation of materials produced in countries whose currency is greatly depreciated, which was dropped in a moment of weakness last session, and which is now of greater urgency than it was a year ago.

No. 4. Persistent adherence to the pernicious policy of encouraging the importation of finished goods by lowering the duties, and of partly finished materials by refunding the duties specified in the customs tariff.

"Disappointment No. 2," dealing with the duty on bituminous coal, has to do with the very question which was raised by my hon. friend opposite a short time ago. That is one of the "disappointments", apparently, in so far as Besco is concerned, that we hope to have remedied through the commission on Maritime rights.

Mr. MEIGHEN: The hon. member is omitting No. 1.

Mr. BOTHWELL: No, I have not omitted it.

Mr. MEIGHEN: If the commission recommends a higher duty on basic iron and steel, will the hon. member support it?

Mr. BOTHWELL: It may be necessary to have lower duties instead of higher.

Mr. MEIGHEN: Will the hon. gentleman be good enough to answer whether he will be prepared to support them if the report is in favour of higher duties?

Mr. BOTHWELL: I think I will answer my right hon. friend when I have seen the report made by the commission. Now so far as "disappointments" No. 1 and No. 4 are concerned, they can be dealt with in a general way together. They both refer, to some extent, to the same subject.

The other night the hon. member for East Algoma (Mr. Nicholson) spent some time in quoting figures in connection with the iron and steel industry and endeavoured to show that we are importing a tremendous amount of goods that we should produce at home. From the manner in which he quoted these statistics he left the impression on the House that in the year 1925 we had imported a good deal more of these particular commodities than in any previous year which he mentioned. Now, I read from the same document that the hon. member for East Algoma quoted from. This is the summary of the trade of Canada for the twelve months' periods ending December 1923, 1924 and 1925. I am taking the figures in the order in which he gave them. He gave the figures for the year 1925, and started with plate glass. Our imports of plate glass in 1925 were just as he stated. The figures are:

Year	Importation	Amount
1923	Plate glass	$4,274,509
1924	Plate glass	3,318,790
1925	Plate glass	3,990,613

The next item was hats and caps. We did increase our importations there a little between 1923 and 1925—from $2,899,627 to $2,951,753. Then in boots and shoes we increased our importations from $1,472,407 in 1923 to $1,670,054 in 1925. Then pigs, ingots, and so on—coming down to our iron—we imported $2,450,605 worth in 1923 and $1,551,783 in 1925. Rolling mill products, 1923, $50,866,-319; 1925, $38,006,810. Then tubes, pipes and fittings, a reduction from $4,146,738 to $3,142,-701. Then in wires there was a reduction from $4,061,777 in 1923 to $2,648,403 in 1925. I might go through all these items which the hon. member mentioned. The figures are given on page 4 of the publication from which my hon. friend read, I refer only to those I have cited in order to show that while the hon. member endeavoured to convince us that our importations were increasing tremendously from year to year, the fact is that the importation of the particular commodities which he mentioned has been decreasing from year to year. Now that does not appear as if the reduction in the tariff has had the effect of ruining the iron and steel industry, or as if it were necessary for the government in its budget this year to bring in any legislation in order to meet what they call "disappointments" Nos. 1 and 4. We find the same result in the case of the importations and exportations of farm implements and other commodities, the figures in respect to which are all set out in that pamphlet prepared by the Bureau of Statistics.

Then "disappointment No. 3" was the alleged "failure to take up the matter of dealing effectively with the importation of materials produced in countries whose currency is greatly depreciated, which was dropped in a moment of weakness last session, and which is now of greater urgency than it was a year ago." In the same publication you can find what the importations were from these countries whose currency is depreciated; both imports and exports are given on page 2. The figures are as follows:

	Imports	Exports
Belgium—		
1923..	$5,449,962	$13,328,248
1925..	6,502,702	22,219,453
Germany—		
1923..	4,962,180	13,773,291
1925..	9,028,936	31,087,709

Mr. CHAPLIN (Lincoln): We did not have a treaty with Germany.

Mr. BOTHWELL: I am speaking in reference to "disappointment No. 3," as got out by Besco, dealing with a country with depreciated currency. If it is alleged that our trade with any country with depreciated currency has been affected by reason of a trade treaty, some one else can deal with that. The table continues:

	Imports	Exports
Russia—		
1923..	$338,907	$ 132,909
1925..	2,730	14,316,002

In respect to other foreign countries—and some of the other countries must also have depreciated currency—we find the following figures:

Other foreign countries—	Imports	Exports
1923..	$24,679,703	$20,615,486
1925..	20,777,442	28,734,025

From these figures, in connection with both imports and exports, it does not appear that the depreciated currency of those countries has had any bad effect on the trade of Canada, or that we need any legislation to protect our-

selves against the product of countries which have a depreciated currency.

I want to touch for a moment or two on the question of the tariff on automobiles. I think every member who has spoken on the budget has dealt with this subject. We have had deputations appear here and the matter has been presented in various ways from both sides of the House. The same question was before the House last year, and I notice that after the debate in the House a year ago the resolution was defeated by only nineteen votes. That would appear to me to be a pretty fair intimation to the automobile manufacturers in Canada that some legislation would be passed this session. Further than that, I think practically every newspaper in Canada has carried requests for months past in connection with the reduction in the tariff on automobiles. During the early days of this session a resolution by the hon. member for Macleod (Mr. Coote) was placed on the order paper, showing that he intended to ask for a reduction of the duty on automobiles. We know too that a good deal of lobbying was being done around this House by the automobile interests and speeches of various kinds were made in this House in the interest of the automobile industry. It strikes me as most peculiar that if it is necessary that the automobile tariff should remain where it was, no single individual either in this House or in the lobby or anywhere else seems to be able to give us a concrete instance of any industry that would suffer by a reduction in the tariff if it were made. So far as I have been able to find out, no single concrete case has been put on record to show that any factory, whether having to do with parts or automobiles, would have to close its doors by reason of a change in the tariff. Surely if the experts that have been able to get out books such as we have received from the automobile industry knew that a reduction in the tariff was going to ruin their industry, they would have been able to give us manufacturing costs and facts showing that such a reduction could not safely be made.

But it has been left for Mr. Ford to make his statement that it is quite in order to bring about the reduction, and that statement has not been met by any other manufacturer in Canada so far as I have been able to gather. I presume every hon. member has received a copy of the book that has been got out by the Ford interests, because we have had it quoted at different times. It would appear from that book that the people of Canada have given the automobile manufacturers fairly good protection. Mr. Ford in the interview that was put on Hansard by the hon. member for Assiniboia (Mr. McKenzie) stated that in his plant in Canada they use at least 85 per cent of Canadian material. He says in this book of his, and also in the interview that was read by the hon. member for Assiniboia, that the cost of manufacture is about equally divided between wages and material; that is, that wages and material cost about the same. This book of his says that wages paid out in 1925 amounted to $10,138,927. Eighty-five per cent of his product is procured in Canada. If he takes the 15 per cent from the United States, that would mean on his own figures that he would bring in approximately $1,520,838. His production cost, according to the same book on page 6, is given as $19,329,745, being spent for production material, building construction, machinery equipment, supplies, insurance, advertising and other services. He has the money bags appear at the bottom of the picture showing that the company pay to the government $2,962,234.

Mr. GOTT: Whom does my hon. friend mean by "he?"

Mr. BOTHWELL: I should have said the Ford Company instead of "he."

Mr. GOTT: I thought the hon. member meant Henry Ford.

Mr. BOTHWELL: That $2,962,334 is used to pay Dominion income tax, customs duties, sales tax on purchases, provincial and municipal taxes, Canadian Government Merchant Marine and Canadian National Railways—as shown in his own publication.

Mr. SPENCER: Would it not be more correct to say that the purchaser of the automobile pays those taxes?

Mr. BOTHWELL: I am coming to that. Those figures show that the cost of manufacturing in the Ford plant at Ford, Ontario, last year amounted to $33,951,844. He says that 47 per cent is exported. The sales amount to $25,714,166. The value of his product would be approximately $48,517,294, showing a surplus there of $14,565,450. How much of that goes in paying commissions and one thing or another I do not know, but from their own book there is apparently that amount of profit on an investment of $31,275,530.

The hon. member for Assiniboia read an interview with Henry Ford in connection with this matter. There is a little more of that conversation that I want to put on record. The interviewer continues:

"Mr. Ford," I began, "you have made two admissions that are very interesting. I wonder if you really wish them to be published?"

"You may write anything I have said," he answered. What are the things I've said?"

"You've admitted that tariff protection encourages indolence in manufacturing and that tariff reduction must produce greater efficiency and economy in your Canadian plant?" "That is true," he said. "What's the other?"

"You've admitted that Ford cars have been getting a higher price than necessary in Canada." "As part of the general tariff situation in Canada—Yes. It works that way with every commodity and under every tariff. Free trade and free competition are the only healthy conditions," he repeated.

"I would like to ask you about another point which disturbs us in Canada." "Go ahead," said Mr. Ford.

"There is some belief that tariff reduction may mean withdrawal of American branches in Canada and that all this business will now be placed in United States factories." "I don't know anything about the other fellows," said Mr. Ford briskly. "I only know about our business. It is not that way with us."

How Canadian Company Started

"Did you establish your plant in Canada because of the tariff?" "No, I didn't establish it at all. It happened this way. Mr. McGregor (referring to the late vice-president and general manager of the Ford Company of Canada) was running a buggy works over at Windsor. He came across the river to me one day, about twenty years or so ago, and said: 'Look here, my buggy business is going to pass. I'd like to make your cars in Canada.'

"I'd never seen him before but I liked his looks and said: 'All right, I'm interested in that sort of thing. Three months later McGregor opened the plant. I remember that conversation. We were standing in the alley back of our first plant over on Mack avenue. That's how the Canadian company started. I never thought anything about the tariff. I never have in starting a plant."

"What about Manchester?" I asked. "I started the plant in Manchester," said Mr. Ford, "to put industry into the country. Tariff had nothing to do with it. All our plants have been located to serve different localities, like the twenty or more we have in the United States. I would want to manufacture in Canada for the same reason,"

"And you believe the tariff is not a factor in locating in Canada" "It is not with me," replied Mr. Ford.

Mr. Ford was silent for a moment, thinking. "The stockholder," he said at last, "is the only person who may lose in the tariff reduction, and he's had enough anyway. We shouldn't worry about stockholders. They don't deserve profits; they don't earn."

Mr. GOTT: Is the hon. gentleman aware of the fact that in the same edition of the Border Cities Star from which he has just quoted, Mr. Henry Ford denied being president of the Ford Motor Works of Canada?

Mr. BOTHWELL: I do not care whether he is president of the Ford Motor Works or not. We know Ford is a manufacturer of automobiles; that he has been in this business since the Ford plants were started, and that he has an interest in the Ford plant in Ontario. I presume he can speak with authority as to how the plant there was established.

Mr. GOTT: It is remarkable that he should be president of an institution of this size and at the same time not be aware of the fact. I would discount his whole interview.

Mr. BOTHWELL: That is the second interview with Mr. Ford. If my hon. friend wants the name of the writer of the article I will give it to him.

Mr. GOTT: I have them all.

Mr. BOTHWELL: He can verify it if he likes. It is an article compiled by Charles Vining. It is probably only fair to state in connection with this Ford industry that it may be an exceptional kind of automobile plant. But the other plants that are manufacturing in Canada are making automobiles with wheels, rubber tires and equipment to some extent similar to that used in the making of Ford cars. There is of course a difference. There are a number of different cars made in Canada, and other plants may have to import certain parts. But if Henry Ford is correct, as we believe he is, in the statement that wages in Canada are no higher than they are in the United States, and we have the raw material in this country just as they have across the line, then if the other manufacturing concerns in Canada are not able to produce at a profit with the protection that is still afforded them after the reduction has been made, they must be poorly organized or poorly managed. There must be inefficiency somewhere. If the Ford manufacturing concern, getting at least 85 per cent of its raw material in Canada, is able to compete with the Ford companies in the United States, then the other automobile factories here should be able to do the same with a protective tariff of 20 per cent.

Mr. GOTT: Do you call the Ford an automobile?

Mr. BOTHWELL: Well, my hon. friend may live so near the border that he has some slang expression descriptive of it.

Now I want to touch for a moment on the reduction in income tax, and in dealing with this question I desire to read just a brief extract from an address delivered in England by the Right Hon. Lord Decies, D.S.O., director of the Income Taxpayers' Society. The address is reported in the Daily Mail Yearbook at page 20, and reads in part:

The present Chancellor of the Exchequer, the Right Hon. Winston Churchill, in his biography of his father, Lord Randolph Churchill (also a Chancellor of the Exchequer) says: "He (Lord Randolph) desired especially to diminish those taxes which fell upon the lower middle class. He laboured to transfer the burdens, so far as possible, from comforts to luxuries, and from necessaries to pleasures. He applied much more closely than his predecessors that fundamental principle of democratic finance—the adjusting of taxation to the citzen's ability to pay." There can be

no sort of doubt that at the moment the citizen is taxed beyond his ability to pay, and the most unfortunate of all and the most in need of urgent and substantial relief is the income tax payer.

It will be seen that Lord Decies refers in the first place to the extremely high income tax levied in England. The hon. member for St. Lawrence-St. George (Mr. Cahan) is under the impression that the change in the income tax provisions is not in the interests of the Canadian people. He does not yet see why the man who derives his income from investments should be taxed. It is all right for the man who works for his living to pay taxes out of the money he earns but the man who gets his income from investments should not be taxed at all. That, I gather, is the view the hon. gentleman takes. Under the income tax law as it stood before, the man with an income of $10,000 would pay only $110, whereas he will have to pay now $290; and the man who worked for his $10,000 paid formerly $480 while under the present arrangement he will pay $290 also. In other words, they are both on the same basis. Surely that is fair. The man with an income derived from investments may have inherited it from his grandfather; he may never have helped to earn any part of it himself. With Canada requiring taxes in order to meet the tremendous burden of debt which we have to discharge it is therefore only right that such a man should contribute his fair share of taxation. He ought to be taxed to the same extent as the man who has to work for his living. It would appear to me that the change in income tax is placing the burden where it belongs, and it should meet with the approval of the great majority of the people.

The hon. member for St. Lawrence-St. George said that the change would have the effect of stifling business inasmuch as people would not want to invest their money in corporations. Well, we might as well say that during the war Canadians should not have been patriotic enough to enlist but should all have gone over to the United States. We realize that we are Canadians and we must be patriotic to the country we live in, and I believe that the people who have investments in Canada are as loyal as those who have to work for wages or salary and are quite as willing to pay their fair share of taxation to keep the country going.

I intended to touch upon the railways, but as the hour is getting late I will refrain from doing so. However, I would point out that, in order now to take advantage of the British preference, shipments must be made through Canadian ports, and that should help to solve in part the difficulties of the Maritime provinces, and operate at the same time to the advantage of the railways. It is proposed that after January 1, 1927, the benefits of the British preferential tariff shall apply only to goods conveyed direct, without transhipment, into any sea or river port of Canada.

We have heard a good deal in this House as to the amount of Canadian grain going through American ports, and we hope that we shall be able to evolve some system whereby that grain may be shipped direct from Canada. But no one has referred to the amount of American grain that goes through Canadian ports. I have here Doings in Grain in Milwaukee, the official publication of the Chamber of Commerce of Milwaukee, showing the amount of American grain from Milwaukee that has gone through Canadian ports, and I find that last year the shipments totalled 3,712,066 bushels of wheat, corn, oats, barley and rye. I also obtained from the Statistical branch the amount of the United States grain generally going through our ports, with approximately the amount of money realized by the Dominion in handling that grain. In 1924-25 we handled 88,641,161 bushels of United States grain. From the handling of that grain we derived a revenue of approximately $7,761,636. Those figures are not exact, but they are as near as could be compiled without taking into account some short branch railway lines. Now we are deriving that revenue from American grain, and although our grain has gone through United States ports in different years, in 1924-25 111,000,000 bushels, approximately, 88,000,000 bushels of American grain has gone through our ports.

Before closing, Mr. Speaker, I wish to draw to the attention of the House the way in which the budget has been received by some of our newspapers. I have not dealt with the reduction in the rate of postage, the abolition of the receipt tax, and various other matters mentioned by the Minister of Finance, but these are incidentally referred to in some of the quotations that I now propose to place before the House. The Vancouver Province contained the following:

> The budget is a good one, businesslike, cheering and hopeful, and—what is not unimportant to the government—politically valuable. Mr. Robb is to be congratulated both upon the circumstances which have enabled him to make so satisfactory a statement and upon his courage in taking advantage of them.

I quote from the Vancouver Sun:

> Having proved to the people of Canada that its conception of government is the creation of prosperity among the people rather than the filling of government coffers, the Mackenzie King administration stands in a position to-day to embark on a programme of development that will raise this country to a new peak of affluence among the nations of the world.

The Regina Leader contained this comment:

Taken by and large, the budget of this year is very satisfactory. It appears to be well received both in the east and in the west. Comment of the British press bears out the claims of Hon. Mr. Robb, Minister of Finance, that Canada has entered upon a period of marked prosperity. It is evident that the minister's statement is contributing to a better feeling regarding Canada abroad as well as proving a stimulant to trade and industry at home.

The Swift Current Herald, an independent paper published in the constituency which I have the honour to represent, announced:

One can be reasonably assured that the budget speech by Hon. J. A. Robb announcing wholesale tax reductions will be hailed with general satisfaction throughout the length and breadth of Canada. Although the politically-steeped man on the street is apt to sniff and sagely inform the stove-league that the entire business is a political dodge and lifebelt for the government, the public can well afford to discount any thought of ulterior motives which might lurk in connection with the budget, and accept it for what it is worth.

A careful perusal of Hon. J. A. Robb's budget speech indicates that Canada is definitely on the upgrade of prosperity and beginning to experience a degree of financial stability paramountly welcome after the lean and trying years of reconstruction following the upheaval of business and general economic conditions brought about not only in Canada, but throughout the world, due to the Great war which shattered and wrecked both social and business structures.

The Herald winds up with these words:

While all countries of the world are groaning and writhing with the heavy burden of taxation, Canada now finds itself in the happy position of being enabled to make a wholesale reduction, one which tends to renew confidence in all classes of people comprising its population, and creates a business condition which is certain to reflect in a prosperity, which at one time seemed beyond hope and like searching for the pot of gold at the end of the rainbow.

Now, Mr. Speaker, I have concluded the remarks I intended to make, except those dealing with the railway situation. This subject however has already been covered to some extent by other speakers and will no doubt be considered by those who will follow me, and the hour is too late for me to enter upon it now. I thank you, Sir, and the House for the patient hearing you have given me.

On motion of Mr. Rogers the debate was adjourned.

On motion of Mr. Robb, the House adjourned at 11.58 p.m.

Tuesday, May 4, 1926

The House met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 95, to incorporate the Red Lake and Northwestern Railway Company.—Mr. Heenan.

PEACE RIVER ELECTION

PETITION ASKING THAT RETURN OF MR. KENNEDY BE DECLARED VOID

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to ask whether the petition presented by the hon. member for West Calgary (Mr. Bennett) with respect to the return of the hon. member for Peace River (Mr. Kennedy) has been examined; I should like to draw attention to the fact that the matters to which it refers are before the courts under the Controverted Elections Act. This being the case I desire to raise a point of order as to whether the petition can properly be received.

Mr. SPEAKER: I am informed by the Clerk of the House that the report of the examiner of petitions in reference to this matter is in to-day.

Mr. MACKENZIE KING: Then, Mr. Speaker, I would raise the point of order to which I have already alluded, namely, whether under the existing circumstances the petition can properly be received by the House. In raising the point of order, I have no desire to express any view one way or the other with respect to the matters referred to in the petition, but I simply draw Your Honour's attention to the fact that when resort has been had to a similar proceeding in the past, the House has more than once declined to receive a petition relating exclusively to a matter before the court and pertaining to the Controverted Elections Act.

Mr. BENNETT: We might as well have the petition read.

Mr. MACKENZIE KING: My hon. friend in presenting the petition to the House indicated very clearly the nature of it. The statement of the hon. member for West Calgary was as follows:

Hon. R. B. Bennett (West Calgary): Mr. Speaker, I desire to present the petition of James Arthur Collins, of Chisholm, in the province of Alberta, lumberman, praying that the House of Commons of Canada may determine and declare that Donald Macbeth Kennedy was not duly elected and returned at the election held on the 29th day of October, 1925, and that the said return was and is void, and that it may be declared that the petitioner was duly elected at the said election and is entitled to be returned as the member elected to represent the electoral district of Peace River in the House of Commons of Canada.

The remarks of my hon. friend indicate clearly that the petition relates to a controverted election, one which he and the House know is before the courts at the present time.

I point out, Mr. Speaker, that there are four acts under which methods are provided

by law for correcting election wrongdoing or punishing offenders in connection with such wrong doing; first, the Dominion Election Act; second, the Controverted Elections Act; third, the Corrupt Practices Inquiries Act, and fourth the House of Commons Act. The purpose of the enactment of the Controverted Elections Act was to remove from the jurisdiction of parliament to the courts matters relating to the election of members. I would in that connection point out the difference between a matter relating to the election of a member and a matter relating to the qualification of a member on grounds other than those pertaining to his election. Under the House of Commons Act, the House reserves to itself full power to deal with any matter referring to a member's right to sit in the House other than the right as affected by the elections; matters arising out of an election, parliament has, in its wisdom, expressly removed from the arena of decision or discussion here to the courts, having recognized long ago that it is difficult if not impossible for a question of the kind, which may give rise to so much party feeling and partisan discussion, to be satisfactorily dealt with by the House.

May I remind the House, Mr. Speaker, that the Controverted Elections Act was passed in 1873. The statute will be found to-day as chapter 7 of the Revised Statutes of 1906. At the time of the enactment it was referred to as "an act to make better provision for the trial of controverted elections of members of the House of Commons and respecting matters connected therewith." Section 91 of the act reads:

> All elections shall be subject to the provisions of this act, and shall not be questioned otherwise than in accordance herewith.

This would appear to make clear the intention of the Controverted Elections Act to remove from the House of Commons questions with respect to election of members otherwise than in accordance with the act's provisions.

The act as I have just stated was passed in 1873. In 1874 a case in point came before the House. It is reported in the Journals of the House of Commons for 1874, April 20, at page 82. I shall read from the Journals:

> A motion being made and seconded, that the petition of Horatio Le Boutillier, of Gaspé Basin, province of Quebec, presented on Thursday last, praying that the return for the last election for the electoral district of Gaspé be completed and amended, as a matter of privilege, by substituting the name of the petitioner for that of Louis George Harper, be now received:
>
> And objection being taken to the reception of this petition on the ground that the subject is one which could only come under the cognizance of the courts of law as provided by statute:

> Mr. Speaker said: "I cannot find any rule or precedent to guide me in coming to a conclusion on this question. I think it would be well for the House to consider this matter, and lay down a rule with respect to similar petitions in the future. I am of the opinion that it is an election petition. Looking over the late English Journals, I cannot find any cases of petitions of this nature having been ruled out. After considering all the circumstances, I think that the petition ought not to be received.

Mr. BENNETT: That was Mr. Speaker Anglin.

Mr. MACKENZIE KING: The Hon. T. A. Anglin was Speaker of the House at the time. I would draw Your Honour's attention to these words:

> Looking over the late English Journals, I cannot find any cases of petitions of this nature having been ruled out.

It will be inferred, I think, from that language that no petitions of that character had been presented to the House of Commons in England, the House having recognized the desirability of following the method, which indeed we in Canada copied from the British legislation, of having all matters of the kind dealt with by the courts. I would further direct special attention to the ruling of his honour the Speaker in these words:

> After considering all the circumstances, I think that the petition ought not to be received.

The petition was one relating to the election of an hon. member of this House and in that particular was similar, if not indeed in many respects identical, to the one which we are discussing at the moment.

May I now cite another case in point. On January 17, 1881, Sir Wilfrid Laurier, then Mr. Laurier, moved in the House of Commons:

> That the petition of Edmund Ritter, and others, of Sorel, representing that there has been a failure of justice in the matter of the trial of the election petition, complaining of an undue return for the electoral division of Richelieu; and praying to be allowed to make proof before the House, be now read.

The motion was agreed to on February 3, and the petition read. The words first quoted will be found in Hansard of 1881, Vol. 1, page 485. A debate followed as to whether the petition should be received by the House, and on February 14, Mr. Speaker J. G. Blanchet decided that the petition could not be received by the House. The discussion will be found in Hansard of 1881, Volume 2, page 961 and Mr. Speaker's ruling will be found in the Journals of the House of that year at page 199. Mr. Speaker Blanchet went very carefully and fully into the subject under review and I should like to read to Your Honour the ruling which was given by Mr.

Speaker at that time. In the Hansard debates at page 823 under "Controverted Election of Richelieu" the following appears:

Mr. Laurier moved that the first order of the day be the resumption of the adjourned debate on the proposed motion of Mr. Laurier, for the reception of the petition of Edmund Ritter and others, complaining of a certain failure of justice in connection with the controverted election of Richelieu.

I refer to that particular introduction to draw attention to the fact that the matter under consideration at the time was whether the petition could be received or not, which is the only point that I am raising just now. As I have already said, I have nothing to say about the merits or the representations of the petitioner. Mr. Speaker's ruling will be found on page 961 as follows:

Mr. Speaker said: After having given a most careful consideration to the petition of Edmund Ritter, and others of Sorel, representing that there has been a failure of justice in the matter of the trial of the election petition complaining of an undue return for the electoral division of Richelieu, and praying to be allowed to make proof before this House of the allegation therein made, I am of opinion that the same cannot be properly received, for reasons which I now propose to state.

I shall not quote all the reasons, but I shall give the House the pertinent parts. He continued:

Now the only question that this House has to consider is, whether this petition is not in effect a petition, questioning the return of a member, which, as it has been admitted on both sides, cannot be properly received by the House, in view of the fact that it has divested itself of its right of trying such matters by referring them to the jurisdiction of an independent judicial tribunal. In handing over this power to the courts, the House still reserved to itself the right of taking notice of any legal disabilities affecting its members, and issuing writs in the room of members judged to be incapable of sitting—but the petition now under consideration, both in its terms and scope, is a petition questioning the return of a member, and not within the purview of this House. By the act 37 Victoria, chapter 10, the House of Commons divested itself of its original jurisdiction for the trial of all matters growing out of the election and return of members having the right to sit therein, including the withdrawal and abatement of any election petition in consequence of alleged corrupt agreement between the parties concerned. That power now belongs to the courts of justice, which try all election cases in conformity with the statutes in that behalf provided. The 63rd section of the Dominion Controverted Elections Act, 1874, expressly provides that all elections held after the passing of the said act shall be subject to the provisions thereof, and shall not be questioned otherwise than in accordance therewith, showing clearly that the determination of the judicial body to whom that power has been delegated is final to all intents and purposes. Now the petition in question declares in express terms that the sitting member "has no right to the seat he occupies"; and were the prayer of the petitioners granted, the logical result would be the virtual resumption by the House of the jurisdiction which it has in its wisdom handed over to the courts. It asks the House to sit as a court of appeal upon a judgment rendered by a court of justice, though such judgment ought to be final according to the law. If the petition should be received it would then be competent for any member to move that it be referred to a committee; and if such a motion were agreed to, the various allegations in the petition would constitute the order of reference by which the committee would be governed in its proceedings. In this way a door would be opened to the indiscriminate reception of petitions attacking generally the return of members, though not governed by any of those formalities necessary even in those times when the House possessed full jurisdiction over controverted elections. To grant the prayer of the petition, would be to violate the general principle which lies at the basis of all the legislation adopted by the English parliament since 1868, and by the Canadian parliament since 1873, that the courts should alone adjudicate on matters on controverted elections.

In conclusion Mr. Speaker said:

In view, then, of the fact that the petition is in conflict with the letter and spirit of the law which governs the House in such cases, and does in effect question the right of an hon. member to his seat; I have to decide that the objection raised by the hon. member for Bagot is well taken, that the petition cannot be received.

The petition which my hon. friend presented the other day is, I submit, both in its terms and scope a petition questioning the return of a member and as such identical in its essential features with the one which Mr. Speaker Blanchet refused to allow to be received at the time to which I have just referred.

On April 28, 1887, the papers relating to the election in the electoral district of Queen's, N.B., having been brought up, an hon. member Mr. Skinner, moved that on the facts recited in his resolution a wrong return having been made, the return should be amended by inserting another name therein. In reference thereto the Minister of Justice, the Hon. J. S. D. Thompson, said that since the Controverted Elections Act—

—by which parliament has renounced its rights to deal with the matter of controverted elections, there has been fully recognized in the various discussions that have taken place in the Imperial House of Commons this principle, that everything has been transferred to the judiciary in connection with controverted elections excepting the one question of the qualification of persons who have been returned to parliament. . . . the conduct of the returning officer or the number of votes which were received, the conduct of the candidates, and every other question connected with the election. . . . has been relegated to the judiciary, and the House has always declined to exercise its functions and its power to interfere.

Sir John Thompson accordingly moved that instead of adopting Mr. Skinner's resolution the House should refer the papers in relation to the election to the committee on Privileges and Elections for report. After a considerable debate this amendment was carried on the same date, April 28. The references in question will be found in Hansard of April 28, 1887, at page 154 et seq. On

May 6 the committee on Privileges and Elections reported that in its opinion the case should be disposed of under the Controverted Elections Act, since all questions as to the validity of the election of members should be decided by the ordinary legal tribunals and not by the House of Commons.

In that case, there was, I think, doubt as to whether the petition did not go further than simply refer to the matters appertaining immediately to the election of the candidate. For that reason apparently the petition was received by the House and referred to the committee on Privileges and Elections, but the committee took care to draw the attention of the House at once to the fact that the petition was really one which should have been construed as coming under the Controverted Elections Act. It accordingly advised that the House should not entertain the request in any particular.

That brings me to one other case to which I should like to refer. Many hon. members present will recall that in 1913 certain charges were made against the Hon. Mr. Coderre when that gentleman occupied the position of Secretary of State. A motion was made to refer to the committee on Privileges and Elections certain matters relating to the election of the member, and certain facts and circumstances appertaining thereto. The point I desire to make clear in reference to that particular matter is that something more than the mere question of the hon. member's right to his seat in parliament was involved; his right to sit in the House was but one of the matters in question. The opposition of the day took the view that inasmuch as the petition related to matters going considerably beyond the question of the right of the member to his seat in the House, it should be referred to the committee on Privileges and Elections. The matter was debated at length.

Mr. MEIGHEN: Was the petition received?

Mr. MACKENZIE KING: I understand the matter was raised on a question of privilege.

Mr. MEIGHEN: But as a matter of fact the petition was received.

Mr. MACKENZIE KING: I am not in a position to say whether there was or was not a petition, but I am able to quote my right hon. friend's opinion then expressed with reference to petitions of the kind being received by parliament.

Mr. MEIGHEN: I know what it was.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I desire to quote my right hon. friend as he is reported in Hansard on March 17, 1913, at page 6140. He said in the course of his remarks:

> Undoubtedly, until the passing of the Controverted Elections Act in this country in 1874 and the Elections Petitions Act in Great Britain in 1868, both parliaments had jurisdiction through their privileges and elections committees to try all matters connected with the election of their members. These committees were appointed primarily for that purpose, and petitions had to be presented to them and money deposited for security, and the committees tried the cases in the usual way. But since these acts were passed in these two parliaments—and I will ask the hon. member for Carleton and the hon. member for St. Hyacinthe to contradict me if I am wrong—there has never been a case where such a charge as that made here has been referred to the Privileges and Elections committee.

Mr. MEIGHEN: Hear, hear.

Mr. MACKENZIE KING: Elsewhere the right hon. gentleman is reported as follows:

> What was the opinion of Sir John Thompson? It was that, since the passing of that act in England in 1868 and since the passing of a parallel act in Canada in 1874, these Houses had divested themselves of all authority to inquire into matters connected with elections, save only the question as to the qualifications of the member selected—as to whether or not that member was a minor, felon or convict.

The right hon. gentleman then mentions that Sir John Thompson's opinion was approved by the committee on Privileges and Elections, and further on he says:

> So far as the public are not affected, and so far as the charges relate to elections, we have divested ourselves of such authority and vested it in the courts; and so we must exclude all such cases from the jurisdiction of the Privileges and Elections committee.

In the division which took place on the motion I observe that my right hon. friend in opposing its reference, notwithstanding its scope, to the committee on Privileges and Elections, was consistent in the view he took, and was supported at the time by the hon. member for West Calgary (Mr. Bennett) who has now presented the petition claiming the Peace River seat for Mr. Collins.

I need not any longer occupy the time of the House by citing authorities. Perhaps, however, I should make this concluding observation. Following the constitutional practice adopted in England there can be no question as to the duty of the House to decline to receive a petition of the nature of that which has been presented. Inasmuch as our practice and our legislation are modelled on the British procedure and acts and has been followed heretofore in accordance therewith we should here seek to maintain the precedents that have been established and which for good and sufficient reasons have been so resolutely upheld in recent years. May I again say that

my purpose in raising this point of order at the moment is not in any way to discuss the merits of the petition, to question the motives of the hon. member who has presented it, nor to inquire at whose instance it has been submitted to the House, but simply to ask that before this House receives the petition or takes any action upon it, there shall be a ruling from Your Honour as to whether or not it may properly do so.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I had no notice until the Prime Minister (Mr. Mackenzie King) rose that this was to be a matter of discussion this afternoon. The point apparently taken is that the House has not only divested itself of power to try the merits of elections so far as their conduct is concerned but has also relinquished the right to receive a petition from anyone who may question a return.

I want to thank my right hon. friend for the compliment of including my humble self among the list of high authorities whom he has quoted dating back over a considerable number of years. Did those authorities appertain to the point raised by my right hon. friend the compliment would be greater; but in the main, as was evident from the Prime Minister's own words, they had no reference at all to that point. Let me again emphasize the fact that I have not had an opportunity to review the cases referred to but, as I gathered from the Prime Minister's remarks, he cited four authorities, one in 1874, one in 1881, another in 1887 and the Coderre case in 1913. As respects the first two, and the first two only, did the question as to the right of the House to receive the petition even so much as come up. Whether the state of the law on that occasion was the same as it is to-day may be a matter for dispute. I raise it not now. But I say this, certainly as respects the second—and there was not sufficient data given as respects the first—it was not the same case at all as is being tried here. That was a case where the courts had already dealt with the subject and where the petitioners sought to make the House of Commons a court of appeal from a court of justice.

I come now to the third and the fourth. Those cases are distinctly against the Prime Minister's contention. Those were cases where the petitions were received, and comments of members of the House as to what ought to be done with them, whether by reference to the committee on Privileges and Elections or otherwise as to how the discretion of parliament should be exercised, have no place at all. The fact is the petitions were received, and this House thereby set precedents which we are asking the House to follow now. We are not to-day at the stage where we discuss what should be done with the petition after it is received. When we come to that stage I will deal with the authorities quoted by the right hon. Prime Minister from the debates of 1887 and 1913.

I want to emphasize this. A most serious step is to be taken if this petition is not to be received. This is not a petition that questions the conduct of an election at all. If such conduct is to be held in question, then I quite agree we have decided that the courts of justice are the proper tribunals for decision as to the merits. That is what was called in question in the Coderre case—whether or not Mr. Coderre personally or those acting as his agents had so conducted the contest as to entitle them to the verdict that was given. What is in question in this case is not whether the hon. member for Peace River conducted his contest honestly or not, not whether the votes cast in his favour or cast against him were rightly or were corruptly so cast. The only question at issue is: Were the votes cast in his favour or were the votes not; was he elected on the votes so cast, whether honestly cast or not? Surely this House has not divested itself of jurisdiction to say whether after the ballot box was closed the facts show that this man was elected or was not.

The men who take charge of the ballots and who declare the verdict are officers of this House, they are the deputy returning officers and the general returning officer for Canada. These men have nothing to do at all with the righteousness or the wrongness of the conduct of the election; but they have everything to do with the rightness of a declaration as to who got the most votes. I repeat, the general returning officer is an officer of this House. Are we to sit here and say that we have not the right even to receive a petition which questions the conduct of an officer amenable to this House, and to this House alone? We do not ask and do not suggest that parliament go behind the closing of the ballot box and say whether or not there was a breach of the law. All we ask to-day is this: Is the return made by an officer of this House in accordance with the votes of the electors, however those votes were obtained?

Now the Prime Minister rises at this stage and says to you, Mr. Speaker: You must not allow the first step to be taken to enable parliament to become cognizant of the conduct of its own officer; you must not even receive a petition which would bring the

matter before this House. I repeat, if we are to take that step it is a very serious one. It is a step which puts the officers of this House beyond the jurisdiction of the House itself. I suggest that the right course to pursue is to permit the petition to come to this House for debate, and then if this House decides in the exercise of its well known jurisdiction over its own officer that it should not refer the petition to a committee, very well, let the House so decide. But do not let us establish the precedent of having Mr. Speaker declare that the House has no right even to consider what should be done with a petition affecting the conduct of an officer amenable to the House alone.

Mr. MACKENZIE KING: Mr. Speaker, if the House will permit me, I should like to make one word of explanation to my right hon. friend, and particularly to my hon. friend from West Calgary. I had assumed that my right hon. friend was aware that this matter was likely to come up to-day, because the hon. member for West Calgary yesterday was kind enough to inform me that he intended to raise this question at the opening of the House to-day, and would ask that the petition be referred to the committee on Privileges and Elections.

Mr. BENNETT: Not to raise this question, but to move that the petition be received and referred to the committee.

Mr. MACKENZIE KING: That is correct; my hon. friend would move when the petition had been received that it be referred to the committee. I was informed that when the report of the Examiner of Petitions was made, unless I took exception the petition would be received in a technical sense and I feared it might be thought I would thereby be precluded after its receipt by the House from raising the point of its being proper for the House to receive it. Had my hon. friend from West Calgary been in his seat before I rose to my feet, I would have told him at once of my intention. I had no desire of being discourteous to any hon. member opposite.

Hon. E. M. MACDONALD (Minister of National Defence): Mr. Speaker, from time immemorial parliament has always exercised control over its own privileges and over the question of whether its members were properly elected. Down until 1874 that was the practice in Canada, but in that year there was passed by this parliament the Controverted Elections Act, by which parliament divested itself of the right to inquire into the methods by which members were elected to this House. Since that time the uniform practice, no matter what party was in power, has been to recognize the validity of that act and the wisdom of that practice.

There is only one question, it seems to me, in regard to this point of order—as to whether or not this petition which my hon. friend for West Calgary has sought to present to the House is a matter pertaining to an election which comes within the purview of the Controverted Election Act. If the assertions which he makes relate to matters which under that act have been committed by this parliament to the courts, then he has no right to present this petition and ask parliament to interfere in a question with which for the time being it has nothing to do.

My hon. friend in presenting the petition stated that it was a petition:

> Praying that the House of Commons of Canada may determine and declare that Donald Macbeth Kennedy was not duly elected and returned at the election held on the 29th day of October, 1925, and that the said return was and is void, and that it may be declared that the petitioner was duly elected at the said election and is entitled to be returned as the member elected to represent the electoral district of Peace River in the House of Commons of Canada.

Now I assert beyond all question that the facts alleged and the relief sought are matters that wholly come within the purview of the Controverted Elections Act. They were committed absolutely to the courts in 1874, and no one up to date has seriously questioned this in this House. My right hon. friend the leader of the House in making his objection to you, Mr. Speaker, cites two cases in which petitions of this character have been presented and ruled out by Mr. Speaker of the day. Reference has been made to what is known as the Coderre case, which arose in parliament in 1913. This matter did not come to parliament by way of petition, but by way of a question of privilege which was raised by the then hon. member for St. Hyacinthe, Mr. Gauthier. He came to parliament, presented certain affidavits and asked parliament to refer the matter to the Privileges and Elections committee. That is, what appears by the record of the day; I remember being in the House at the time. The position taken was that this being a matter which involved questions that could be determined by the courts on election petitions, the House should not deal with the question or refer it to the committee on Privileges and Elections. The then Prime Minister, Sir Robert Borden, took that position, as did the then Minister of Justice, Right Hon. Mr. Doherty. On the other side it was urged that the matters contained in the affidavits submitted went beyond and were not part of those questions committed

under the Controverted Elections Act to the courts. It was conceded by almost every hon. gentleman who took part in the argument that if the questions raised on the matter of privilege related solely to those matters which had been committed to the courts, no action could be taken. My right hon. friend took that position; he quoted from Sir John Thompson and asserted with emphasis that at no time had parliament ventured to assert its right to deal with or inquire into matters committed to the courts by that act.

I submit the only thing Your Honour need consider is the point of order. If this petition relates to a question which has been committed to the courts for consideration I submit that under the precedents, as a matter of law and a matter of procedure, Your Honour should rule that the petition be not received. What purpose would be served in receiving it if parliament could not deal with the question in any way? What would be the use of reading a document here in relation to a subject with which we have no power to deal? The precedents which have been cited are, I submit, quite ample to justify such a ruling on the point of order.

Mr. C. H. CAHAN (St. Lawrence-St. George): I wish to suggest briefly, Mr. Speaker, that the arguments presented by the Prime Minister (Mr. Mackenzie King) and by the Minister of National Defence (Mr. Macdonald) clearly indicate that this petition must be received in order that the House may be in a position to decide as to whether or not its contents are such as to exclude it from the jurisdiction of this House, and to place it under the jurisdiction of the courts. We have not yet seen the petition; hon. members have not had an opportunity to read it; we do not know its contents, except by some general words of description which were used when notice of the petition was presented. I therefore submit, Mr. Speaker, that it is necessary for Your Honour to decide that this petition may be received in order that the House may be fully cognizant of its contents, and be in a position to decide as to whether it is within the sole jurisdiction of the courts or whether it contains allegations solely with respect to the conduct of an officer of the House, who is always responsible to, and whose conduct must be passed upon by, the House. If an error has been made in addition or in any other way Your Honour must decide whether we have jurisdiction to rectify that error. In an ordinary case I am prepared to accept the word of the right hon. Prime Minister as to the contents of a petition, but he has not read this petition and does not know its contents except by mere hearsay. I might accept the word of the Minister of National Defence but he has not read the petition; he has no more right to read it beforehand than have we on this side of the House. We have had no opportunity to read it and therefore, until it is received, the objection raised by the Prime Minister is premature and I suggest cannot be decided in his favour without depriving this House of the opportunity of knowing the contents of the petition. We must decide whether this matter should be referred to the committee on Privileges and Elections for their consideration.

Hon. R. B. BENNETT (West Calgary): I do not know that I can add very much to what has already been said, Mr. Speaker. The question before the House is a point of order. It questions the right of a citizen of Canada to petition parliament; whether or not a free citizen of this Dominion has a right to petition parliament. That, shortly put, is the question that must be considered. It is said that this free citizen may not petition parliament because there is pending in the courts of the country a suit or action under the Controverted Elections Act.

Let us first of all examine the petition itself; I propose to read it. The petition which it is said this parliament may not receive is as follows:

To the Honourable the Members of the House of Commons

In Parliament Assembled

The petition of the undersigned, James Arthur Collins of Chisholm, in the province of Alberta, lumberman—

Humbly Sheweth:

1. That an election was held on the 29th day of October, A.D. 1925, for the electoral district of Peace River, to elect a member to represent the said electoral district in the House of Commons of Canada.

2. That the candidates at the said election were: Donald Macbeth Kennedy, William Archibald Rae and your petitioner, James Arthur Collins.

3. That Edward Henry Sheppard was the returning officer at said election, and on the 26th day of November, A.D. 1925, declared the said Donald Macbeth Kennedy duly elected to represent the said electoral district in the fifteenth parliament of Canada.

4. That pursuant to the provisions of the Dominion Elections Act, in that behalf, a recount of the votes cast at the said election was held from the first until the eighteenth days of December, 1925, at the city of Edmonton, By His Honour Judge Mahaffy, and at the conclusion of said recount the said judge certified that 3986 votes had been cast in favour of Donald Macbeth Kennedy; 3944 votes had been cast in favour of William Archibald Rae and 3969 votes had been cast in favour of your petitioner, James Arthur Collins, and directed that the said Donald Macbeth Kennedy be declared elected to represent the said electoral district in the fifteenth parliament of Canada, by a majority of seventeen votes over your petitioner.

5. That on the 2nd day of January, the said Donald Macbeth Kennedy was gazetted as the member returned for the electoral district of Peace River to serve in the House of Commons of Canada, and he has taken his seat in such House of Commons.

Before I read the next paragraph I desire to point out that this petition makes known to this House the fact that proceedings are pending under the Controverted Elections Act, and gives the character of those proceedings.

6. That on or about the 26th day of February, A.D. 1926, proceedings under the Controverted Elections Act were taken by one John B. Page against the said Donald Macbeth Kennedy, but no such proceedings have been taken by your petitioner, or by anyone on his behalf.

7. That at the said election, the said electoral district of Peace River was subdivided into 298 polling divisions, No. 4 of such divisions being known as Brule Mines poll.

8. That the final recount by His Honour Judge Mahaffy, as aforesaid, showed that at Brule Mines poll, being poll No. 4 as aforesaid, twelve votes were cast in favour of Donald Macbeth Kennedy and 127 votes in favour of William Archibald Rae and twenty-one votes in favour of your petitioner.

9. That at least 111 electors voted for your petitioner at Brule Mines poll, No. 4, aforesaid, but through the action of the deputy returning officer, one Peter A. Robb, and other persons, to your petitioner unknown, ballots were fraudulently manipulated to produce the result mentioned in the next preceding paragraph of this petition.

10. That on or about the 18th day of January, 1926, the said Peter A. Robb, deputy returning officer, aforesaid, was charged before the Honourable Chief Justice Simmons of the Trial Division of the Supreme Court of Alberta.

"For that he, the said Peter A. Robb on or about the 29th day of October, A.D. 1925, at polling division No. 4, at Brule Mines in the province of Alberta, at an election held under and by virtue of the Dominion Elections Act for the election of a person to serve in the House of Commons of Canada in and for the electoral district of Peace River, in the province aforesaid did fraudulently destroy a number of ballot papers used by voters at the time and place aforesaid.

And also for that he, the said Peter A. Robb, on or about the 29th day of October, A.D. 1925, at polling division No. 4, at Brule Mines, aforesaid, at an election held under and by virtue of the Dominion Elections Act for the election of a person to serve in the House of Commons of Canada in, and for the electoral district of Peace River, did fraudulently put into the ballot box used in connection with the said poll papers other than the ballot papers which he, the said Peter A. Robb, was authorized by law to put in the said ballot box.

And also for that he, the said Peter A. Robb, on or about the 29th day of October, A.D. 1925, at polling division No. 4, at Brule Mines in the province of Alberta at an election under and by virtue of the Dominion Elections Act for the election of a person to serve in the House of Commons of Canada in and for the electoral district of Peace River in the province of Alberta and being a deputy returning officer at said polling division, No. 4, did fraudulently put otherwise than as authorized by the said Dominion Elections Act, his initials on the back of papers purporting to be, or capable of being used as ballot papers for the said election," to which said charges, the said Peter A. Robb pleaded "Not guilty."

[Mr. Cahan.]

11. That the trial of the said Peter A. Robb commenced at Edmonton, Alberta, on Monday the 29th day of March, 1926, before the Honourable Mr. Justice Walsh of the Trial Division of the Supreme Court of Alberta and a jury, and at the conclusion of the said trial on the first day of April, 1926, the said Peter A. Robb, was found guilty by the said jury on all the three charges aforesaid (as amended at the said trial) and was sentenced by the Honourable Mr. Justice Walsh to imprisonment for five years in the penitentiary at Prince Albert with hard labour, for each of the said offences, such sentences to run concurrently. A certified copy of the proceedings at the said trial accompanies this petition.

12. That at the election held on the 29th day of October, 1925, in the said electoral district of Peace River aforesaid, more ballots were cast for your petitioner than for either the said Donald Macbeth Kennedy or William Archibald Rae.

That, Sir, is a relevant allegation in this petition, that at that election more ballots were cast for James Arthur Collins than for any other candidate.

Wherefore your petitioner prays that the House of Commons of Canada may determine and declare that the said Donald Macbeth Kennedy was not duly elected and returned at the said election, held on the 29th day of October, 1925, and that his said return was and is void, and that it may be declared that your petitioner was duly elected at the said election and is entitled to be returned as the member elected to represent the electoral district of Peace River in the House of Commons of Canada.

And your petitioner, as in duty bound, will ever pray.

Mr. Speaker, that petition was presented to this House by a member of the House of Commons of Canada and was referred to the clerk who deals with such petitions. That clerk has reported this petition back to this House. The Prime Minister of this country now asserts that this House of Commons of Canada should not receive that petition. In due course that petition would, on motion by one of the members of this House, have been referred to the committee on Privileges and Elections. That would have been the motion, to refer this petition which alleges that more ballots were cast for a man who is out of this House than were cast for a man who is in it, to the committee on Privileges and Elections. We are now met with the point of order that this House should not consider such petition. Four precedents have been referred to. Two of them are the expressions of opinion by the Speaker, but I venture to say, Sir, that if you will be good enough to traverse the whole debate that took place in the Coderre case in 1912-1913, you will find there a careful analysis of all the authorities, and it will be observed that my friend the Minister of National Defence (Mr. Macdonald) was then very strong in the opinion which he now condemns.

Mr. MACDONALD (Antigonish): Not at all.

Mr. BENNETT: I am bound to accept my hon. friend's statement as to his state of mind, but the evidence of his state of mind is indicated by the vote. It is a very regrettable fact that a matter of this kind should become the subject of acrimonious discussion in this House at this time. I, Sir, venture to think that nothing can be worse for the dignity of this parliament, nothing can reflect more on our sense of fairness or of justice, nothing can better reflect the state of mind of men who are no longer ready to award justice to their fellows and be impartial in their consideration of public questions, than to say we are unwilling to refer this petition to the committee set up by parliament to consider these matters.

The crux of our case, and I do commend it to my friend the Solicitor General (Mr. Cannon), is found in the language which was used by my right hon. leader (Mr. Meighen) a few moments ago: Parliament has not been asked, and is not being asked, to enter into a discussion nor an inquiry with respect to matters other than one: Were more votes cast for Collins in that election than for Kennedy? If there were, will any man dare to assert that the man who received the minority of the votes should retain the seat? No one has yet said that a receiver of stolen goods should be better than the man who owned the goods; no one has ever suggested that.

4 p.m.

Let us see what they said in England. Two great law officers of the crown, one the late Lord Coleridge, the other the late Earl of Selborne, one Lord Chief Justice and the other Lord Chancellor, had occasion to deal with these matters, and in dealing with the jurisdiction of parliament as affected by the enactment of legislation respecting elections, they saw fit to direct attention to questions upon which the jurisdiction of parliament must be maintained as distinguished from the jurisdiction that had been parted with by virtue of the statute. If you will turn, Sir, to the debate that took place in the House of Commons in 1912-1913, you will find the quotation there from those observations, in the speech that was made upon that occasion by the now right hon. leader of the opposition. You will find the citations at the top of column 6142, in volume III of the debates of that session.

Mr. SPEAKER: Column 6142?

Mr. BENNETT: Yes, my lord.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: It is true that titles have been dispensed with in this country, but one cannot do more respect to the Speaker than to address him as one would address a judge in a court of last resort, and I am sure he will discharge his duties with the same eminent impartiality as would be shown by a judge in a court of last resort dealing with a matter of this kind.

Mr. MERCIER (St. Henri): Hear, hear.

Mr. BENNETT: My hon. friend who has just spoken discharges his duties with such eminent impartiality that I am sure he will be with me. My right hon. leader at the bottom of the page to which I have referred, was dealing with this matter and discussing the question of the jurisdiction of parliament as distinct from that of the courts. Now that parliament has divested itself of some of its jurisdiction in the matter need not be discussed. The question is, to what extent has parliament divested itself of this jurisdiction? If parliament still retains its power over its own officials, as was pointed out by Sir Louis Davies, then this petition must be in order. What is the complaint here? The complaint is against an official of this House, a deputy returning officer, who fraudulently, in violation of his obligations, in dereliction of his duty, saw fit in the opinion of six of his countrymen to manipulate ballots so fraudulently as to steal the election from Collins.

Mr. CANNON: That is one of the allegations of the petition, but what is the real conclusion of the petition? That is the question.

Mr. BENNETT: The conclusion of the petition is that the seat should be given to the man who had the most votes. It is amusing that my friend the Solicitor General should ask what the conclusion of the petition is. The conclusion is that the committee on Privileges and Elections may hear and determine whether or not the facts alleged in the petition are true. If it be true that 111 men, who went into the witness box at Edmonton and swore they had voted for Collins, have been deprived of their franchise, because only 127 ballots came out of the ballot box marked for Mr. Rae, and Mr. Kennedy was thereby given a seat which he had no more right to than a stranger on the street, then what is the conclusion? The conclusion is that parliament should inquire as to whether or not these officials discharged their duty, and if they did not, this parliament should see why they did not so discharge their duty, and should give the seat to the man who had the most votes. These are the words of the two

law officers of the crown Lord Selborne and Lord Coleridge:

> It is true we have divested ourselves of our jurisdiction over all election matters, but it does not follow that we have not the right to say that our writs shall be obeyed. The writ issued by this House calls upon the people of a certain county to elect a certain qualified representative, and we still reserve authority and jurisdiction to inquire as to whether or not they have returned duly qualified men.

This House still has the authority to inquire as to whether or not Peter Robb, deputy returning officer, appointed by the Chief Electoral Officer, an officer of this House—and the House will recognize the jurisdiction which we vested in him—discharged his duty or whether or not he became a party to the opening of the ballot boxes, taking out ballots and marking them for another man, sealing up the ballot boxes and counting those ballots so marked, so as to deprive the successful candidate of a seat in this House. That is the question which has to be met and it has to be considered. This House still has jurisdiction—to do what? To see that its writ is obeyed, the writ of election that was issued by the Chief Electoral Officer, the servant of this parliament, to the electors of Peace River, and if it is proven to the satisfaction of a committee of the House that the deputy returning officer or one of his officials saw fit, in dereliction of his duty, in fraud upon the people of Alberta, to deprive them of their right as citizens, to whom do they look but this House? Whom are they to look to but to this House, or to a committee of this House, which reports back these facts, and gives the seat to the man who is entitled to it but who has been illegally deprived of it.

Let me go a step further. I will not content myself with quoting the language of so eminent an authority as Lord Selborne or Lord Coleridge I will go further and quote the authority of the late chief justice of this Dominion, who in 1900, in dealing with the West Huron election case, had occasion to deal with this very matter. Sir Louis Davies put the case on the strongest ground on which it could be put. He said:

> It is true we have divested ourselves of the jurisdiction over election matters—

These were the words:

> But we have retained jurisdiction over own officers—our returning officers and deputy returning officers, and over none others.

These were the words of Sir Louis Davies in 1900. What did Sir Wilfrid Laurier say in the debate of 1913? What was his declaration as to what the position was? He agreed with the observations made by Mr. Doherty, then Minister of Justice, now Right Hon. Mr. Doherty, who for two hours or more reviewed all the authorities and placed the matter before the House in every detail. When Sir Wilfrid Laurier, then leader of the opposition, dealt with the matter you will observe that he was very careful to say that this parliament had not divested itself of all its jurisdiction, but had retained jurisdiction over its own officers, over its own deputy returning officers.

This petition is here, Sir, from a citizen of this Dominion, in order that this house of parliament may refer it to the committee on Privileges and Elections. For what purpose? To see whether or not our officers, our servants, the men to whom we delegated certain rights, to ascertain whether the electors of Peace River desired to elect number one, number two or number three to sit in this House, had been guilty of fraud or otherwise. If they had taken out the ballot boxes, extracted ballots therefrom and substituted other ballots, then this tribunal of parliament should deal with the matter. If it can be proven not before the courts of the country, not by a trial, but by the production of the men who so testified before the court, that although they, to the number of 111, had voted for Collins and that notwithstanding when the ballots were taken out of the box only 27 were found to be marked for Collins, do you mean to tell me, Sir, that the free people of this country are not entitled to petition parliament and to ask that this great wrong shall be undone? Why, Sir, the very mention of it to the people of this country, the very idea that a man may retain a seat in this parliament when an election petition cannot be tried while parliament is sitting, that the receiver of stolen goods can flaunt his crime before the people and say, "I am going to be tried some time two or three months hence, but in the meantime I am going to enjoy the fruits of my wrongdoing."—the very idea, I say, is enough to shock the sensibilities of all who venerate the principles of right and justice and who believe in representative institutions. In this case no one charges Mr. Kennedy with wrongdoing, and no one alleges that he had anything to do with it, and he had not, except in this one respect that having received the stolen goods, he is holding on to them. That is all. I am amazed, Sir, that there can be in the mind of honest men the thought that you would permit this House to deny to the man who has been wronged the right to come to this tribunal, the highest court in the land to present his case. It is unthinkable. I could not believe my ears when I heard the Prime Minister rise in his

place and raise the point of order. I thought, Sir, it would be time enough to raise such a point when it went to the committee on Privileges and Elections, and I suggest to my right hon. friend that on reconsideration he should let the matter go to that committee, just as Sir John Thompson, when presenting his argument in the Queens election case in 1887 said, "That is my view of the law". He was one of the most eminent lawyers who ever sat in this House. He presented his case and said, "This matter can go to the committee on Privileges and Elections." When it came back the committee reported that in their judgment they had no jurisdiction.

Now, I do ask my hon. friend the Solicitor-General, before he argues the matter, to pause and think where this will lead him. I ask my hon. friends opposite to pause and think what would be their attitude if they were in the same position as the hon. member for Peace River. I have here the authority of a Lord Chancellor, of a Lord Chief Justice, of one of the greatest and most eminent jurists this country ever knew, Sir John Thompson, and the authority of Sir Wilfrid Laurier the great leader of the Liberal party. I give you these authorities and I give you the authority of the Chief Justice of Canada before it is too late. Oh, Sir, I implore you to remember what this means. This is by all odds the most serious and important matter that parliament has to consider, because it must be known to every member of the House that when the Speaker decides that he has no jurisdiction, that this petition is out of order, an appeal will be taken to the House and the House will be divided sharply on party lines in a matter which hon. members should consider as judges. You ask them as partisans to decide whether Mr. Kennedy should retain the seat which Mr. Collins won. I put it to you, Sir, and I ask you if that is your conception, or the conception of hon. members of the proper function of the House of Commons. It may well be, if this goes to the committee on Privileges and Elections that a majority may conclude that it should not be considered by parliament, but should be referred to the courts, but at the moment you are asked to say that this parliament shall not receive the petition of the injured man. Surely that cannot be the law. Have I made myself clear? The distinction I submit is very narrow but it is very apparent. A petition that deals with matters that have to be considered by courts and a petition that asserts that officers of this House have not done their duty are entirely different. It is perfectly clear from the petition that has been read that the allegation is founded upon a breach of his duty by one who is now in penitentiary, who is now reposing quietly and calmly incarcerated in that prison because he has deprived some ninety people of their votes, 111 having voted for a candidate and only twenty-seven votes coming out of the ballot box.

Mr. STEWART (Edmonton): Is my hon. friend correct? Is the man not out on bail?

Mr. BENNETT: Mr. Robb?

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: I am not so advised.

Mr. STEWART (Edmonton): For a retrial.

Mr. BENNETT: I was advised that he was in penitentiary, but my hon. friend the Minister of the Interior, who resides in Edmonton, knows better than I.

Mr. CASGRAIN: The case has been taken to appeal.

Mr. BENNETT: It is not suggested that he has been granted pardon, is it? I am bound to say that politics in western Canada sometimes are corrupt. I am now asking the Minister of Railways (Mr. Dunning), recently first minister of Saskatchewan, to carry his mind back to 1906 and 1907 and I ask the Minister of Agriculture (Mr. Motherwell) to recall the Prince Albert case of 1906. I have before me the Journals of Saskatchewan for 1907.

Mr. DUNNING: What has this to do with the point of order before the House?

Mr. BENNETT: I assure my hon. friend if he will only wait one moment that it will indicate that the legislature of Saskatchewan unanimously decided to put into his seat Mr. Donaldson who had been deprived of that seat by the robbing of ballot boxes by his opponent.

Mr. DUNNING: Unanimously?

Mr. BENNETT: Yes. A spirit of fairness was shown that I trust will now be indicated by hon. gentlemen opposite. May I now venture to recite the facts? Mark you, Sir, again this was a deputy returning officer, an officer of the legislature. Mr. Donaldson petitioned the legislature to retain his seat. A Mr. Tyerman was returned by a majority vote and it was alleged that at one of the polling divisions there had been interference with the ballots by the deputy returning officer. According to the Journals of the Saskatchewan legislature for 1907 Mr. Haultain presented a petition reciting the facts which are set out at pages

82 and 83. The petition was referred without question, without debate, to the committee on Privileges and Elections. The matter was greatly argued, counsel presenting the case, and inasmuch as it was decided the case is different from this—

Mr. DUNNING: Hear, hear.

Mr. BENNETT: Not very different. It indicates that what happened in 1907 was a prelude to what happened in 1925, because in that election when the ballots came out of the box there were 318 cast in favour of Donaldson and 260 in favour of Tyerman whereas 411 were returned as having been cast in favour of Tyerman. In other words the same sort of thing happened in northern Saskatchewan in 1907 as happened in northern Alberta in 1925. They had transferred their operations a little further west. Let me go a step further. The matter was much debated and the deputy returning officer was prosecuted. He pleaded guilty and he was sentenced to imprisonment. Then proceeds the further matter, the review of the authorities, and at page 85 Mr. Haultain, now Chief Justice Haultain, and Mr. Lamont, now Mr. Justice Lamont of the Court of Appeal, reviewed the authorities in these words:

> The committee have looked into the practice and procedure, as well as the law applicable to the hearing of election petitions presented to parliament and have found that during the early period of parliamentary history in England the power of trying election petitions was repeatedly exercised by the House of Commons in England but it was found that on nearly every question of the kind which came before the Commons the decisions were arrived at by strictly party vote, and that so fully was it recognized as being a party question that on one occasion the ministry went out of office because it had failed to carry the vote of the House in the disposition of a controverted election petition, and in order to prevent so notorious a perversion of justice, the House consented to submit the exercise of this privilege to a tribunal constituted by law, which, though composed of its own members, should be appointed so as to secure impartiality and the administration of justice according to the laws of the land and under the sanction of oaths.
>
> The principle of the Grenville Act—

That is the English act of 1868 passed by Disraeli in his short term of office as Prime Minister.

> The principle of the Grenville Act, and of others which were passed at different times since the year 1770, was the selection by lot of committees for the trial of election petitions. Partiality and incompetence were very generally complained of in the constitution of committees appointed in this manner, and in the year 1839 an act was passed establishing a new system upon a different basis increasing the responsibility of the individual members and leaving but little to the operation of chance.

I should withdraw my observation as to Mr. Disraeli's act. It was passed in 1868. The Grenville act was prior to 1867.

> This principle was maintained with partial alteration of the means by which it was carried on till 1868, when the jurisdiction of the House in the trial of controverted elections was transferred by statute to the courts of law. As a result of the act of 1868 doubts were expressed whether these provisions would not supersede the jurisdiction of the House in determining questions affecting seats of its own members not arising out of controverted elections, but it was decided that the act applied to the questioning of returns by election petitions only, and that under the procedure in force before that act when returns were questioned by petition the matter was determined by the tribunal, and before such tribunal was established the House uniformly exercised its constitutional jurisdiction.
>
> In places where acts providing for the trial by courts of controverted election petitions are in force the legislature has on more than one occasion refused to deal with the question of the right to the seat as between two contending parties, and have limited the jurisdiction of the House to questions such as the personal disqualification of a person returned as member, but the supreme court of the Northwest Territories having no jurisdiction to hear and determine questions relating to controverted elections there would appear to be no doubt but that the legislature has what is called "constitutional jurisdiction" and has a right, and in fact is bound to hear and determine through its properly constituted committee petitions asking for the voidance of an election and claims to seats.
>
> The commitee is of the opinion that they should deal with the matter in dispute upon proper principles of law and for that reason have asked counsel appearing for and against the petition to cite cases which might be of assistance to the committee and the House in determining the question arising in the petition and out of the facts proved, and the committee have also endeavoured by every means to find precedents which would be of similar assistance.
>
> No case has been cited or has been found by your committee similar in all respects to the case disclosed by the facts above set out. Cases have been cited wherein the courts have in exercising the jurisdiction delegated to them by parliament voided elections but have refused the claims of petitioners to seats and have directed new elections, but these are cases in which certain electors who had the right to vote were disfranchised by reason of the acts and conduct of deputy returning officers in placing marks upon ballots which had the effect of making it possible to identify the voters, and thereby under the law making the votes ineffective. The principle which the courts have applied to such cases is that there being no real electing at all, they could not give the seat to the petitioning candidate for the reason that the persons who were entitled and had the right to vote had not had an opportunity of expressing their will in regard to the election.
>
> In the present case, however, there would appear to your committee to have been a valid election at which the will of the duly qualified electorate was expressed, the result of such expression of will being that Mr. Donaldson obtained the majority of the votes polled at the election, which majority could not, as appears from the facts above recited, be affected by permitting the duly qualified electorate of polls Nos. 24, 25 and 26 (if any) to vote.
>
> The committee are therefore of the opinion that on the facts and in view of the principle of law already stated, the petitioner Samuel J. Donaldson is entitled to be returned as the member elected to represent the electoral division of Prince Albert in the legislative assembly of Saskatchewan.
>
> Ordered, That the report be now concurred in.

On motion of Mr. Lamont, seconded by Mr. Haultain,

Ordered, That the Clerk of the Executive Council be summoned by Mr. Speaker to attend the bar of the House and amend his certificate relating to the return of the member elected to represent the electoral division, of Prince Albert at the election held on the 13th December, 1905, by inserting the name of Samuel James Donaldson in lieu of the name of Peter David Tyerman.

And so the legislature of Saskatchewan, having inquired into the facts through a committee, unanimously decided that the action I have taken should be taken and that Mr. Donaldson should be given the seat, Mr. Tyerman having already filled one term in the legislature. It will be observed that it is of first-rate importance that an opportunity should be afforded in a case of this kind for counsel to appear to present the precedents, to examine the authorities, and to make such legal arguments as the facts and necessities of the case warrant. If therefore this petition is now decided to be out of order, it follows that no opportunity will be afforded for any committee to examine into this matter and determine wherein the jurisdiction of parliament ends and the jurisdiction of the courts begins.

I do not for a moment allege that it may not be determined by that committee ultimately that the petition is one that should not be considered; but I do assert emphatically that we should be doing violence to every notion we have of justice and of fair play, to every precedent that has come to us down through the centuries in relation to the jurisdiction of parliament over its own officers, if we decided that the petition of a free citizen of this Dominion to this parliament, citing certain facts which affect a seat that he believes to have been improperly deprived him through the fraudulent conduct of the officers of the House, should not be inquired into by a parliamentary committee. That and that only is our case.

Mr. MACDONALD (Antigonish): Does the hon. member assert that the matters that are alleged in this petition do not come within the purview of the petition which will be dealt with by the judges of Alberta under the Controverted Elections Act?

Mr. BENNETT: I say that the case under that act may proceed and never touch the point at all.

Mr. MACDONALD (Antigonish): That will be the petitioner's fault.

Mr. BENNETT: The hon. member for Peace River (Mr. Kennedy) is the defendant in an action in the courts under the Controverted Elections Act in which Mr. Collins, the aggrieved person, is not the plaintiff.

Mr. MACDONALD (Antigonish): He may appear under the law.

Mr. BENNETT: But he is not in charge of the proceedings, and the question might be decided without this point being touched upon. I am sure that in the heart of every member of this House there is a sense of justice, and justice requires that the petition shall be received. Mr. Collins claims that he should have the seat which is now occupied by Mr. Kennedy; that Mr. Kennedy should resign it and, if he so desires, endeavour to regain it by proceedings under the Controverted Elections Act. The justice of the case demands that at that bar our Chief Electoral Officer should stand and that, because of the fraudulent conduct of an officer of this House, the return should be amended by inserting the name of Collins in place of that of Kennedy.

We are all weak and are inclined to be influenced by our personal feelings and our political views. But when it comes down to a case of real, essential justice, observe what was done in Saskatchewan. There you find the attorney general, a Liberal, moving, and the leader of an opposition small in numbers seconding, a report to have the clerk of the executive council brought to the bar of the legislature, strike out the name of Mr. Tyerman and substitute therefore the name of Mr. Donaldson, the circumstances having warranted this. That was justice. I do not say that this House is prepared to take a similiar course, but I do urge, Mr. Speaker, that we do not lightly dispose of a matter that so vitally affects the honour of this assembly. If this petition is rejected, think what a premium we put upon dishonesty. It would mean that in every election held in Canada, if you could only get enough dishonest deputy returning officers to manipulate ballots so as to return for the moment a required number of members, you would deprive parliament of its authority and frustrate the will of the people.

Mr. MACKENZIE KING: Is not the hon. member entirely ignoring the fact that parliament has provided that the courts of the country shall take into consideration all these matters to which he is referring? Has not the court the right, after it has heard all sides of the case, to inform Mr. Speaker of the matters which it thinks ought to come before the House? The intention is not to deprive the House of Commons of the right of remedying any wrong; it is to prevent the kind of discussion we are having now, before the matter is settled by the proper tribunal.

Mr. BENNETT: I am glad my right hon. friend has said that, for it is one argument why the matter should be referred to the committee. I am sure the Prime Minister will realize the seriousness of it. Let me give a concrete illustration. Suppose as the result of an election we had a House of 240 members, 125 supporting the government and 115 in opposition. That would leave the government with a majority of ten. The House is called and it is ascertained that, say, fifteen members owe their seats entirely to the manipulation of ballots. A petition comes before parliament. What happens then? The courts cannot touch it while the House is in session, and nothing will be done in the meantime. What will that lead to? Why, Mr. Speaker, it simply puts a premium upon dishonesty and it means that you have invited every deputy returning officer in Canada to become a crook. Not only that, but you have put the stamp of approval of the House of Commons on such conduct. Let us carefully weigh the matter before we decide it.

Mr. MACDONALD (Antigonish) Why should we have the Controverted Elections Act at all?

Mr. BENNETT: To deal with the conduct of elections.

Mr. MACDONALD (Antigonish): And of returning officers as well.

Mr. BENNETT: As Sir Wilfrid Laurier said in his speech in 1913, this parliament has never divested itself of the authority to inquire into the right of a member to sit in the House.

Mr. STEWART (Edmonton): My hon friend is arguing that because parliament is in session and the case cannot be heard, therefore Mr. Collins is being deprived of a privilege that rightfully belongs to him. Will that privilege be denied him when the time comes for the trial? So far as the deputy returning officer in question is concerned, he has been convicted and has therefore paid his penalty. But how is Mr. Collins deprived of his privilege, seeing that the case must come before the courts?

Mr. BENNETT: I am sorry I have not made clear to the Minister of the Interior the gravity of the matter.

Mr. STEWART (Edmonton): I quite appreciate the seriousness of it.

Mr. BENNETT: The fact of Mr. Collins having been deprived of his seat in the House is only incidental. But the fact that a gentleman should sit in parliament without, as it is alleged, a mandate from the people of the constituency which he purports to represent, is something that affects not only that particular constituency but every constituency in the country.

Mr. STEWART (Edmonton): At several of the other polls allegations were made which, while it is true they were not proven, were so nearly established that they would indicate that Mr. Collins had support which perhaps should have gone elsewhere.

Mr. BENNETT: I am surprised that my hon. friend—

Mr. STEWART (Edmonton): That happened at McLellan.

Mr. BENNETT: You can never count upon what juries may do, and if the jury chose to acquit Mr. Griggs, one of the deputy returning officers—

Mr. STEWART (Edmonton): I was not thinking of Mr. Griggs; I was thinking of the poll at McLellan.

Mr. BENNETT: In the case of Mr. Griggs a jury of his countrymen thought that he had not violated the law. But here we have a case the effect of which is to deprive the people of Peace River of representation according to their will and, what is more, to undermine the authority of parliament. What becomes of representative government if parliament refuses to accept this petition?

Mr. CANNON: What about 1917?

Mr. BENNETT: But that was a question in which parliament had enacted legislation as to who should vote. That is not the question now before us. In this instance—and I do ask my hon. friends to consider it seriously—let us make it personal with respect to this House.

Mr. CANNON: The incident of 1917 was so serious that it was tragic.

Mr. BENNETT: I am perfectly willing to engage in a discussion with my hon. friend with respect to that, but it is not relevant to this point of order; what he is referring to was a question of the franchise. After listening to the account of the hon. member for Kent (Mr. Doucet) of the purposes that legislation served in Quebec during the last election, I say it was indeed tragic.

Mr. JACOBS: The party to which it belongs is now paying the penalty, in the same way as Robb is.

Mr. SPEAKER: Order. Might I ask hon. members to deal with the point of order?

Mr. BENNETT: Mr. Speaker, I am always delighted to endeavour to answer any questions that may be asked, and my hon. friend so seldom asks any that I should like to answer this one. He says Mr. Robb is paying the penalty. It is true. But the country is being deprived of the services of Mr. Collins, who obtained a majority of the votes cast. That is an entirely different matter.

Mr. MACDONALD (Antigonish): If my hon. friend would permit me—supposing his contention is right that parliament should receive this petition, and that upon its reception it was referred to the committee on Privileges and Elections, which decided that the statements contained therein were correct. You would also have the trial of the petition proceeding in the courts, and if it was there decided that Mr. Collins was not entitled to the seat, we would have the anomalous condition of parliament deciding one way and the court the other. Parliament therefore should not divest the court of its jurisdiction.

Mr. BENNETT: Mr. Speaker, I am the more surprised at the minister making an observation of that character because he must know that the trial of the petition could not proceed in that event for Mr. Kennedy would no longer be the sitting member. I assume if Mr. Collins is returned a protest might then be lodged against him, and it might proceed. But let us take this very House, let us deal with actualities. What happened? On the first vote taken in this House this session there was a majority of three. Mr. Speaker, just think what this means.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. BENNETT: One opponent of the government was absent. Had he been present the majority would have been two.

Mr. CASGRAIN: He had not taken his seat.

Mr. MACDONALD (Antigonish): That is not a point of order.

Mr. BENNETT: It is, for it illustrates the effects of this. Had Mr. Collins been in his seat, as the electors of Peace River decided by a majority of seventy or eighty he should, the result of that first division would have been a tie. Now, are we here to-day to ask the Speaker of this House to decide that a petition that directs the attention of parliament to malfeasance in office of its own officials shall not be heard?

Mr. MACDONALD (Antigonish): What has that to do with the point of order?

Mr. BENNETT: The point of order is that this petition cannot be heard, although a Lord Chancellor, the Lord Chief Justice of England and the Chief Justice of Canada, have all expressed the opinion that parliament has complete jurisdiction over its own officials. That is the point that we must not get away from. We must all keep in mind this one essential thing, that when the officials of this House violate their duty and fail to discharge the obligation placed upon them, this House can call them to account at that bar. If we fail, if we put a premium on rascality, we have dishonoured our finest traditions, we have made this House a participant in that which has deprived one of our citizens of the highest rights he can enjoy under the constitution, and we have decided that fraudulent manipulation of ballots, which may change the personnel of the government and thus change the policies of the country, are to meet with the approval of this House. Until I see that done, Sir, I cannot believe it possible for it to happen.

Hon. G. H. BOIVIN (Minister of Customs and Excise): Mr. Speaker, it is not my intention to wander quite so far away from the point of order as the hon. member who has just taken his seat (Mr. Bennett). I may be obliged, however,—and I crave your indulgence if I should do so—to stray from the straight and narrow path in order to answer some of the arguments adduced by my hon. friend. I was not surprised to hear him say that there is a sense of justice in the heart of every man. There are exceptions to confirm all rules, and I am sorry to see that the hon. member himself is to-day the exception. A sense of justice in the heart of every man! And still he stands in his place in this House and accuses one of his fellow members of keeping and retaining stolen goods—

Mr. BENNETT: Hear, hear.

Mr. BOIVIN: —when he well knows that his fellow member, owing to the provisions of section 8 of the House of Commons Act, could not resign his seat if he so desired.

Mr. BENNETT: It is clear he could not resign, but it is equally clear that he should not participate in the deliberations of this House.

Mr. BOIVIN: My hon. friend has an afterthought and presents the argument used in the House by his right hon. leader a few days ago. He contends—I do not pretend

that he is right—that an hon. member can occupy his seat in this House, that he is even obliged to be here but that he has no right to exercise his prerogatives as a member of parliament. That is almost as erroneous as the other argument used by my hon. friend.

Mr. MEIGHEN: If my hon. friend will permit me—under what obligation is a man to sit in this House who knows he did not get the majority of votes?

Mr. BOIVIN: My right hon. friend says that someone knows that the hon. member for Peace River did not get the majority of votes?

Mr. MEIGHEN: He knows it himself.

Mr. BOIVIN: And my right hon. friend pretends he knows it too?

Mr. MEIGHEN: Certainly; we all know it.

Mr. BOIVIN: We all know it?

Mr. MEIGHEN: Certainly.

Mr. BOIVIN: Who said so?

Mr. MEIGHEN: The judge and the jury.

Mr. BOIVIN: The judge and the jury decided according to the evidence of certain men that a certain number of votes which should have been given to Mr. Collins in that election had been counted for Mr. Ray. The judge and the jury did not decide that—

Mr. MEIGHEN: It was decided by our officers.

Mr. BOIVIN: Still that is not what the judge and jury decided.

Mr. MEIGHEN: Yes.

Mr. BOIVIN: The judge and jury were not called upon to decide whether the hon. member was or was not elected.

Mr. MEIGHEN: That is what they decided. The judge and jury—

Some hon. MEMBERS: Order.

Mr. MEIGHEN: The judge and jury had to decide that in order to decide the case presented to them.

Mr. BOIVIN: Is it because the judge and jury decided something they were not called upon to decide that we are to ask a fellow member to resign? That is something the judge and jury had no right to deal with.

Mr. MEIGHEN: They had the right.

[Mr. Boivin.]

Mr. BOIVIN: Will my right hon. friend tell me under what law Mr. Kennedy can resign his seat to-day?

Mr. MEIGHEN: I do not say anything of the kind. I say he is under no obligation to sit as the hon. member said he was.

Mr. BOIVIN: Under no obligation to sit?

Mr. MEIGHEN: Hear, hear.

Mr. SPEAKER: Order.

Mr. BOIVIN: The hon. member is doubly obligated. He took his oath of office to do his duty as a member of the House of Commons, and the law says he must do that duty and cannot resign.

Even if the argument so ably built up by the hon. member for West Calgary (Mr. Bennett) were true in every respect, he has proven almost instinctively, clever advocate that he is, that he is not making his argument in the right place. In addressing the Speaker of the House of Commons as "My Lord," he has shown that he well knows that the argument should be made before a court of justice.

Mr. SPEAKER: I assure the House I am not a lord.

Mr. BOIVIN: My hon. friend revealed himself as a very able parliamentarian. He realizes, I think, after hearing the arguments pro and con that you, Mr. Speaker, will undoubtedly disallow the petition and decide that it cannot be received by the House.

Mr. BENNETT: I am sure my hon friend will not object if I draw attention to rule 69:

> If anything shall come in question touching the return or election of any member, he is to withdraw during the time the matter is in debate; and all members returned upon double returns are to withdraw until their returns are determined.

That is an answer to the question brought up a moment ago, as to what a member should do.

Mr. BOIVIN: Does my hon. friend contend that if the hon. member whose election is under debate at present withdrew from the chamber it would alter his argument or mine? Would it alter the decision of Mr. Speaker on the point of order? If not, why does my hon. friend cite the rule?

Mr. BENNETT: Because it was suggested that there was no provision under which he could retire from the House.

Mr. BOIVIN: The hon. member for St. Lawrence-St. George (Mr. Cahan) claimed that one of the reasons why the petition

should be allowed was that the House of Commons did not know the contents of that petition. The hon. member for West Calgary has remedied that; in case the petition should not be received he has proceeded in advance to read the petition into Hansard and to deliver the address that would have been delivered on the motion to refer it to the committee. He has attained his object, and I hope will no longer dispute the point of order. He claims that the House of Commons, through the committee on Privileges and Elections, should be called upon to decide this question. In that case, what becomes of the authority of our courts; what becomes of the Controverted Elections Act; and why was that act enacted by this parliament? It was enacted for the precise purpose of removing from the heat and passion of party politics and partisan warfare just such questions as the hon. member desires to have decided to-day.

Before the year 1770 controverted elections in Great Britain were tried and determined by the whole House of Commons as party questions, in which the strength of contending factions might be tested. May, in his tenth edition, states very clearly:

> In order to prevent so notorious a perversion of justice, the House consented to submit the exercise of its privilege to a tribunal constituted by law, which, though composed of its own members, should be appointed so as to secure impartiality, and the administration of justice according to the laws of the land and under the sanction of oaths. The principle of the Grenville Act and of others which were passed at different times since 1770, was the selection by lot of committees for the trial of election petitions. Partiality and incompetence were, however, generally complained of in the constitution of committees appointed in this manner; and in 1839, an act was passed establishing a new system, upon different principles, increasing the responsibility of individual members, and leaving but little to the operation of chance.
>
> This principle was maintained, with partial alterations of the means by which it was carried out, until 1868, when the jurisdiction of the House, in the trial of controverted elections, was transferred by statute to the courts of law. . . . . The House has no cognizance of these proceedings until their termination: when the judges certify their determinations, in writing, to the Speaker, which is final to all intents and purposes.

Mr. MEIGHEN: Will the hon. gentleman permit a question? Will he tell me when parliament surrendered the right to review the conduct of its own officers?

Mr. BOIVIN: Parliament never surrendered the right to review the conduct of its own officers, but the petition before parliament to-day is not a request to review the conduct of an officer. It is a request for Mr. Kennedy to vacate his seat and give it to Mr. Collins.

Mr. MEIGHEN: Because of the conduct of an officer of this House.

Mr. BOIVIN: Because of the conduct of an officer of this House, which conduct will be taken into consideration at the trial of the controverted election.

Mr. MEIGHEN: Maybe.

Mr. BOIVIN: It must be, if anyone desires to adduce the evidence before the court. It is provided in section 61 of the Controverted Elections Act:

> The trial judges may, at the same time, make a special report to the Speaker as to any matters arising in the course of the trial, an account of which ought, in their judgment, to be submitted to the House of Commons.

Mr. MEIGHEN: Would the hon. member permit me to put the question again? Even assuming the court has jurisdiction over the conduct of this officer, when did parliament surrender the right to review the conduct of the same officer?

Mr. BOIVIN: Parliament did not surrender the right to review the conduct of its officers, and if the petition presented was a petition to review the conduct of an officer of the House, it would be in order and would possibly be received and considered.

Mr. MEIGHEN: That is just what it is.

Mr. BOIVIN: It is all very well for my right hon. friend to argue that it is, but the conclusions of the petition show that it is not. The conclusions are to the effect that one hon. member be asked to vacate his seat in order that his opponent may take it. In one particular polling subdivision of that constituency some irregularities were revealed. There were some subdivisions where no polls were opened, and other subdivisions where there were other irregularities. Does my right hon. friend say that it would be fair to judge the merits of that election by what took place in one particular polling subdivision?

Mr. MEIGHEN: I say nothing of the sort, but I am asking my hon. friend, if parliament has the right to review the conduct of its own officers, has it not the right to correct a wrong resulting from that misconduct?

Mr. BOIVIN: It certainly has the right to correct a wrong which may have resulted from that misconduct.

Some hon. MEMBERS: Hear, hear.

Mr. BOIVIN: I am glad my hon. friends applaud. Parliament has the right to correct that wrong, but it must be brought to the attention of parliament in the manner provided by law.

Mr. MEIGHEN: May I ask when parliament surrendered the right to correct that wrong sooner?

Mr. BOIVIN: To correct the wrong sooner than it is legally ascertained?

Mr. MEIGHEN: To correct the wrong earlier than the report of the court.

Mr. BOIVIN: Does my right hon. friend attempt to argue; does he want this House to decide, or does he want you, Mr. Speaker, to decide by your ruling that it is possible to have two trials of the same case going on at the same time, one in the courts legally constituted by this parliament, and the other in a committee constituted by this parliament?

Mr. MEIGHEN: Will the hon. gentleman permit me? If this is to be tried by a committee, it is tried during this session. Will he explain to me how the other trial can take place during this session?

Mr. BOIVIN: I shall not attempt to explain to my right hon. friend what he already knows.

Mr. MEIGHEN: He cannot.

Mr. BOIVIN: My right hon. friend knows very well that the other trial will not proceed during the session. He also knows very well that if this matter was referred to the committee on Privileges and Elections, the hearing would be dragged out there for political purposes. Witnesses would be brought here from northern Alberta and the whole trial would be repeated before the committee of parliament, and the inquiry would not be over until the dying days of the session.

Mr. MEIGHEN: When did the government decide on that conduct before the committee?

Mr. BOIVIN: Will the right hon. gentleman repeat his question?

Mr. MEIGHEN: The hon. gentleman says that the trial will be dragged out. There is no reason certainly why we should drag it out. When did the government decide to adopt these tactics before the committee?

Mr. BOIVIN: If there is no reason for my right hon. friend and his supporters to drag it out, there is no political reason for the government supporters to do so. We do not ask to have it brought here. Why did they?

Mr. MEIGHEN: To correct a wrong.

Mr. BOIVIN: To correct a wrong which my right hon. friend himself admits cannot be corrected until it is too late, until the end of the session.

[Mr. Boivin.]

Mr. MEIGHEN: It can if the government will do their duty.

Mr. BOIVIN: And further, it would be to correct a wrong which is yet imaginary. It has not yet been proven—a wrong must be proven in the court before the hon. member for Peace River can be asked to resign.

Mr. MEIGHEN: Where do you find that?

Mr. BOIVIN: The law is clear that a wrong must be established before he can be asked to resign. Even if he so desired, he could not resign now.

Mr. MEIGHEN: Give us a chance to prove it.

Mr. BOIVIN: The leader of the opposition wants parliament, with all its power and might, to take a member and expel him from the House, to decide that he has no right to occupy a seat here, when as a matter of fact the hon. member could not resign if he so desired. That is the position in which the right hon. gentleman attempts to place parliament.

Mr. MEIGHEN: That is nonsense.

Mr. BOIVIN: In 1913 the right hon. leader of the opposition, speaking in this House, said that this House has divested itself of all authority to inquire into matters connected with elections save only those questions relating to the qualifications of the members elected. Every other matter concerning elections, the House had divested itself of its right and authority to inquire into.

Mr. MEIGHEN: That is right, but will the hon. gentleman permit me?

Some hon. MEMBERS: Order, order.

Mr. MEIGHEN: Hon. gentlemen are very, very timid about their cause. They think it can best be defended by noise. This matter is not an attempt to inquire into an election. It is to inquire into an election return.

Mr. BOIVIN: If my right hon. friend desires to propound the argument that he wants to unseat a member without inquiring into his election, he is welcome to such an argument. He admits it is an attempt to unseat a member, and yet he says it is not an inquiry into an election. How he can combine the two with that spirit of justice that is to be found in the heart of every man, is something which surpasses my humble understanding.

I do not want to argue further, Mr. Speaker. The point of order, which, after all, is really the only matter before Your Honour at the present time, was clearly raised and explained

by my right hon. leader early this afternoon. There are two precedents, in respect to which the law has not been changed, despite what the leader of the opposition may say. Two questions, absolutely identical, have been decided by two of your illustrious predecessors, Sir, and I am sure that this parliament, with its customs, rules and usages based upon precedent, will not reverse those precedents today.

Sir HENRY DRAYTON: May I ask a question, merely for information? What is the date of the petition which has been lodged in the courts, and by whom has it been presented?

Mr. BOIVIN: According to the information that I received when the hon. member for West Calgary read the petition, it was lodged in the courts on the 26th day of February, which I think was quite within the time limit provided in the Controverted Elections Act.

Sir HENRY DRAYTON: Who was the petitioner?

Mr. BOIVIN: I have no knowledge of his name.

Mr. BENNETT: Mr. Page.

Sir HENRY DRAYTON: He was a Liberal, was he not?

Mr. BOIVIN: I think he was. When Liberals attempt to contest an election they always proceed in the regular way. They do not attempt to bring before parliament things which should go before the courts, and it would not be a great surprise to us if it was discovered that the petitioner was a Liberal. But in any event, if my hon. friend desires to insinuate that he may not proceed with his petition after the session has ended, let me remind him that any other person, including Mr. Collins himself or any of his friends, can intervene and take up the action and continue it before the courts. The trial should be held before the court and not before parliament. If this petition is received, it will mean that every time an election is contested, every time the right of a member to his seat is brought into question, it can be done by petition to parliament. It will mean that every time a returning officer or a deputy returning officer makes a mistake, it can be brought here for consideration.

5 p.m.

Mr. STEWART (Leeds): A mistake?

Mr. BOIVIN: Mistakes are sometimes made inadvertently, and sometimes maliciously, and it is pretty hard for us to say, until the courts have decided and given judgment, whether mistakes were made maliciously or not. I know of elections that have been lost because the deputy returning officer neglected to initial the ballots. Nobody could say that it was done maliciously, or that it was done for the purpose of robbing any member of his seat.

Mr. STEWART (Leeds): Does the hon. member contend it is a mistake when the man is convicted and sent to the penitentiary for his offence?

Mr. BOIVIN: That sentence has been appealed from. The man is entitled to be called innocent until—

Mr. MEIGHEN: What is the ground of the appeal? The wildest technicality ever known.

Mr. JACOBS: The ground was that he was not satisfied with the verdict.

Mr. BOIVIN: My right hon. friend contends that this parliament should substitute itself for the courts, and that in all cases election petitions should come here—

Mr. MEIGHEN: I do not ask that at all; never suggested it.

Mr. BOIVIN: Owing to an irregularity in this election—

Mr. BENNETT: No irregularity at all—a crime.

Mr. BOIVIN: Owing to a criminal irregularity, if you like—

Mr. MEIGHEN: By our officer.

Mr. BOIVIN: By our officer?

Mr. MEIGHEN: An officer of parliament.

Mr. BOIVIN: The officer of my right hon. friend as well as of myself.

Mr. MEIGHEN: But appointed by the government.

Mr. BOIVIN: I am glad to hear him say that only for that reason this petition must be received. But if all other officers made mistakes, would all the petitions have to be received here? If, for instance, a political party desired to exercise partisanship to the highest degree in a house where the government majority would be forty or fifty over the party on the other side, and if all petitions came to the House instead of being heard by the legally constituted tribunals of the land, would it not be possible for a partisan majority to oblige almost all of the members in the minority to vacate their seats? That certainly would happen. It sometimes did happen many years ago, and that is why parliament in its wisdom de-

cided that these questions should not be dealt with here, but should be decided by judicial and independent tribunals. If those legally constituted courts find any irregularity or any criminal act on the part of any officer, it is the duty of the judge hearing the matter to report to Mr. Speaker, who reads the report to the House at the opening of the next session. Then is the time for parliament to judge the act of that officer. The petition before you, Sir, is worded in plain English. It is a request that the hon. member for Peace River leave his seat and give it to his defeated opponent in his last election. Before he is asked to do that, we should not look at what took place in one particular polling subdivision, but the court legally empowered to do so should consider what took place in every polling subdivision, and when that has been determined it will be time for parliament to decide what punishment should be meted out to any guilty officer and consider any amendment that should be made to the election act. There is one amendment which never should be made. That is an amendment which would take out of the hands of an impartial judge or tribunal and refer to party politicians all matters connected with the election of members to this House.

Hon. HUGH GUTHRIE (South Wellington): May I be permitted to say a word on the point of order? I will endeavour to discuss the point raised by the Prime Minister (Mr. Mackenzie King) without wandering as far afield as the hon. Minister of Customs and Excise (Mr. Boivin) has done in the remarks he has addressed to the House.

The question in a way is a simple but very interesting one. It is at the same time a most important question and involves the right of a British subject to petition this parliament, a right which is laid down by all constitutional writers as an inherent right in our citizenship. A British subject has lodged a petition before this parliament, and the question is whether or not his petition should be received. That, I understand, Mr. Speaker, is the sole question raised this afternoon by the Prime Minister. I am not going to discuss the merits of the case as presented by my hon. friend from West Calgary (Mr. Bennett), but will content myself briefly and solely with a discussion of the right of Mr. Collins to lay a petition on the table of this House and have it received by the House. If our constitutional rights are to be brushed aside with the indifference which has been displayed this afternoon by hon. members opposite, I think the time has come when we should lay down some definite rule upon the matter. That the right exists there can be no question. A citizen of this country desires to exercise that right; the question is should parliament refuse him that right.

The Prime Minister has cited certain precedents to the House. In the two earlier precedents, that of 1874 and of 1881, it would appear that the Speakers of those days ruled that the petition should not be received. These were early cases, but I point out, Mr. Speaker, that the earlier decisions have been superseded by what took place in this House in connection with the Queen's election case, I think, in 1887 or 1888, followed by another decision in the year 1900 known as the West Huron election case. I am leaving out for the moment the Coderre case, because I understand that no petition was presented in that case. I take my information on that point from the Minister of National Defence (Mr. Macdonald). Let us turn to the two more recent cases in which petitions were presented and received, notably the Queen's case in 1887 and the West Huron case in 1900. If in the earlier cases the petitions were not received by the House should we be bound by them in the face of what was done in the two more recent cases? Surely the earlier cases have been overruled and superseded, and the law and custom of this parliament at this moment has been settled by the course adopted in both the Queen's and Huron cases, where the petitions were received by this House.

I do not say anything as to the ultimate fate of the petition. I say nothing whatever as to what may or may not be done, or what may be the fate of any motion which may be made hereafter in respect of this petition. But what is our duty at the present moment? I can only repeat what has been said by the hon. member for West Calgary in support of the precedents which have been cited. These precedents were supported by parliament. Objection was taken in the Queen's election case that the petition should not be received. The Minister of Justice of that day was inclined to think there was great force in the argument, but he informed the House that, having regard to the whole situation, he believed the petition should be received. It was received and was referred to the committee on Privileges and Elections. Is there any reason, Mr. Speaker, for departing from that decision in the present instance?

Then in the West Huron case in 1900 the petition was likewise received by the House. Subsequently it was thrown out or turned down, but it had been received by the House.

Is there a reason for departing from the established practice of the House on these two occasions? These are the two most recent cases. This petition does deal both directly and indirectly with an officer of this House; there can be no question of that. I am not referring to the prayer of the petition, in which the petitioner claims the seat, but I am referring to the allegations which are made on the face of the petition, the statements of fact that appear upon it. Nothing is more clear than the fact that the conduct of an officer of this House is very gravely brought into question, and I do not think anyone would argue for a moment that this House has not the sole supervision and control of its own officers. That gives us jurisdiction and the right to receive the petition, on the ground, if on no other, that the conduct of one of the officers of this House is impugned. Rule 80 is a very definite rule on that point and reads:

> If it shall appear that any person hath been elected and returned a member of this House, or endeavoured so to be, by bribery, or any other corrupt practices, this House will proceed with the utmost severity against all such persons as shall have been wilfully concerned in such bribery or other corrupt practices.

What is the first clause of the rule? It provides that if it shall appear that any person has been connected with bribery or other corrupt practice this House shall speedily inquire into the matter. We have the right to inquire in regard to our own officers; we have the right to discipline, to punish our own officers. Notwithstanding that the courts of the land have punished an officer of this House for a criminal offence, we still have the right to summon him to the bar of the House or before the committee and to deal with him as we see fit. Rule 80 is in our rule book expressly to deal with a case such as that which is now before Your Honour.

I submit that on the point of order there is little to be urged in support of it and much that can be urged against it. I am not going to attempt any discussion of the merits or demerits of the question in connection with the election contest in Peace River. I know nothing of the facts save what I have read in the newspapers or heard from the language of the petition. The petitioner has made it appear, in the spirit of rule 80, that a certain condition existed during that contest rendering it the duty of this parliament to make an inquiry. I submit that on the question of order Your Honour should have no hesitation in deciding that the last two precedents, the cases of Queen's and Huron, are now the established practice of this House and should be followed in this instance.

If the petition is received the next step is of course a motion. I do not know what might be said on the motion, whether it should be referred to a committee or not. The argument will no doubt take place upon that motion; but surely we are not going to deny a British subject the right which is inherent in his citizenship, namely, that of lodging a petition before this parliament and of having that petition received. That is all we ask.

Hon. LUCIEN CANNON (Solicitor-General): Mr. Speaker, as the hon. member for South Wellington (Mr. Guthrie) has just said, the question which is now before the House is not that of the merits or demerits of the respective contesting parties before the courts in the Peace River constituency, but simply the point of deciding whether the petition presented by the hon. member for West Calgary (Mr. Bennett) should or should not be received.

This afternoon, as in all matters of this nature, we have had abundant evidence of the wisdom of those who in 1874 decided that election matters should be taken away from the competency of parliament. We have listened to very learned lawyers on both sides and not to my surprise I have noticed that instinctively political feeling has crept into the arguments which we have heard. What conclusion must we draw, what inference must we arrive at, other than that if Your Honour comes to the conclusion that the petition has anything to do with the election itself, Your Honour should follow the rule laid down by your predecessors and decide that the petition should not be allowed to be received by the House?

Any lawyer conversant with parliamentary law or constitutional precedent must reach the conclusion, first, that parliament decided years ago—and that decision has been confirmed and ratified under many circumstances —not to interfere any longer in matters merely electoral. And why so? Because when parliament decided controverted elections, either when the House was sitting as a whole or when the House delegated its powers to a select committee, parliament ceased to exercise purely legislative powers or functions and exercised judicial powers. There is one great underlying principle of the British constitution, and its greatest safeguard—this the hon. member for West Calgary will not deny —namely, that executive, legislative and judicial powers should not interfere with one another. I say with pride that the judiciary of Canada can be compared favourably with the judiciary of any other country. Why should we, especially in view of the most

peculiar and special conditions under which this parliament has met, take away from judges, take away from duly constituted and established courts, a question which belongs to a judicial tribunal, a court presided over by a judge, merely for the purpose of having witnesses bring before a committee, evidence which in all probability cannot be judged by the members of that committee without their being biased by political feeling? There is no doubt that parliament has divested itself of the function of judging cases of controverted elections. The only reason for the receiving of this petition would be that advanced by the hon. member for West Calgary, namely, that it deals not with the election itself but with the conduct or behaviour of an officer of this House. If my hon. friend is right in that contention the petition should be received. If Your Honour comes to the conclusion that his contention is not right, the petition should not be received.

What is the petition? The hon. member for West Calgary has read it; he has read not only the allegations which are the basis for the conclusion, but the conclusion itself of the petitioner Collins. The petition, therefore, is divided into two parts which must not be confused. The first part consists of allegations of fraud committed by certain electoral officers. There is no doubt that parliament has absolute authority to deal with those officers. We can deal with them either directly by calling them before a committee or before the House, or indirectly under the provisions of the Elections Act or the Controverted Elections Act, when a report is sent in to Your Honour giving Your Honour the facts and knowledge of any fraud committed by those officers. But that petition does not ask that any officer in that constituency who might have committed fraud be punished by this House or by the committee. The conclusion of the petition is the essential section, and an examination of it will lead Your Honour to a decision on this point of order. The conclusion is, not that Robb or any other officer should be punished or reprimanded, but that the sitting member be removed and that the petitioner himself be given his seat. The conclusion is, therefore, that we as a House of Commons, either ourselves or through a committee, shall supersede the judicial tribunals of the country in deciding who shall be the member to represent in parliament the constituency of Peace River. I do not think that a single hon. member in this House this afternoon, no matter on which side he sits, will deny that the petition presented by the hon. member for West Calgary, if accepted, would have

[Mr. Guthrie.]

that effect. We are to decide who shall represent Peace River in the House of Commons, according to the petition. Well, in 1874 parliament decided once for all that these matters should no longer be within its competency.

I come now to the last point. Hon. gentlemen opposite ask, why should we not receive the petition? Well, Mr. Speaker, the receipt of the petition would be followed by a motion for its reference to the committee. There is another principle of parliamentary law which cannot be contradicted by any lawyer in this House, and that principle is that the House, under the direction of its Speaker, shall take no action and follow no line of procedure without having a practical object in view. We are not here to waste time. We are not here to lose or waste the money of the Canadian people who sent us to parliament. Every resolution that comes before the House, every petition that is presented for the consideration of parliament, must have a definite object in view. That principle is well established. But what would be the practical object of this petition even if it were received?

Mr. CHABOT: Justice.

Mr. CANNON: My hon. friend from Ottawa says, justice. I am also of his opinion, and I will show before I get through how justice coincides with my contention. What, I ask, would be the practical outcome of the acceptance of this petition? The hon. member for West Calgary would move that it be referred to the committee on Privileges and Elections and the House would decide one way or the other. If the House decided to refer it to the committee, the committee, unless we ignored all precedents that have been established during the past fifty years, could not possibly decide who the sitting member should be, because that is a matter for the courts.

In conclusion let me say that this is not a matter of politics; it is a matter purely of law. In the first place I say that the petition should not be received, for its conclusion is a request that this House decide a controverted election; and, secondly, I am opposed to its reception for the reason that even if it were referred to the committee the committee could not take any practical action upon it. Now, as to the justice of the matter. Here we have a fellow member who enjoys the esteem of every hon. gentleman in this House, and as opposed to him there is the petitioner, against whom I have nothing to say but who claims the seat. I understand that there was also a third candidate. Are we then, if we

have any feeling of justice and fair play, to constitute ourselves a tribunal, setting aside all precedents governing cases of this kind, and decide this matter in the interests of one party or another? The hon. member for West Calgary observed, indeed, that it was important that Collins should be here, because if he were the government might be out. I do not care whether the government remains in power or goes out, but I stand for the principles of fairness and justice, principles which were written into our statute books in 1874 and which have been observed ever since. What was good enough for Sir John A. Macdonald and Sir John Thompson, what was good enough for Sir Wilfrid Laurier and Sir Robert Borden, is good enough for the smaller men who sit now in the House in their stead.

Hon. R. J. MANION (Fort William): I have sat this afternoon nearly three hours listening to this debate, which has been largely between lawyers; for apart from the speech of the Prime Minister (Mr. Mackenzie King) no one so far has spoken who was not of the legal profession. As an ordinary member of the House who has had no legal training, but who trusts that he has an appreciable sense of fair play, I wish to add a few words to what has been said.

The Solicitor General (Mr. Cannon) in his concluding remarks declared that this was entirely a matter of law. I do not share that view, Mr. Speaker. I contend that it is absolutely a question affecting the honour of parliament and the rights of the people of Canada, in relation to the composition of this House. The action of the Prime Minister in raising the point of order as to whether or not the petition should be received may be briefly summed up. The motion, shorn of all its ornamentation, will in effect allow the hon. member for Peace River (Mr. Kennedy) to retain his seat in the House of Commons.

Mr. MACKENZIE KING: I want to take exception to the remarks of the hon. gentleman. I did feel that when he rose it would be impossible for him to proceed without making insinuations which he had no right to make.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: But—

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: I must ask hon. members to keep silence. I cannot hear what the Prime Minister is saying.

Mr. MACKENZIE KING: What I am saying, Mr. Speaker, is that I resent strongly the attempt of the hon. member to misrepresent my motives in raising the point of order. I object to the interpretation he places upon the motion. I have a duty as leader of the government to help to see that the laws which parliament has enacted for specific purposes shall be carried out.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: I am discussing a point of order. I say it is my duty to see that the laws which have been enacted to maintain the independence of members of parliament shall be respected, and my purpose in raising the point of order this afternoon is to see that nothing shall be done which may tend to impair the independence and the freedom of speech or action of members of parliament.

Mr. MANION: I hardly see the necessity for the heated remarks of the Prime Minister. Let me say at once that I did not intend to cast any reflection whatever upon him, though I see he did not hesitate to reflect upon myself. I did not seek to imply at all that there was any base motive underlying his procedure this afternoon. The point I am trying to make is that the logical conclusion of his motion will be to enable the hon. member for Peace River to retain the seat which he now holds and to which, as some of us contend, he is not entitled. That is the sum and substance of what I was saying. I did not intend at all to reflect in any way upon the Prime Minister. As a matter of fact, if I cared to do so, I might point out many instances in which he has reflected on me. I have no hesitation in meeting the Prime Minister here or elsewhere. However, I wish to deal with this matter now from the standpoint of an ordinary member of the House, and I will not be deflected from that by the heated and unnecessary remarks of the Prime Minister.

I was pointing out the actual effect of the action of the Prime Minister in trying to keep this petition from the House on a point of order. In regard to points of order I have heard the Prime Minister himself and my good friends to my left composing the Progressive party—of which the hon. member for Peace River (Mr. Kennedy) is a member—many times in this House submit this argument: In the name of fair play and fair dealing we should not pay too much attention to points of order, but should direct ourselves to the practical issues before parliament. Practically the whole afternoon we have heard argument

as to the absolute necessity of living up to the rules of the House. I submit, Mr. Speaker, that in giving your ruling—and that is the point I am dealing with for the moment—you will be governed not only by the precedents of the past, but I have no doubt that you will also be governed by your long parliamentary experience and your respect for the honour and high standing of this House. I believe it is not always the duty of a Speaker —if I may say so—to give a ruling which adheres strictly to precedents, especially after a debate such as this; he should also consider what is fair and just. In this case I submit there is such an opportunity for the Speaker to show his high-mindedness by not allowing himself to be controlled absolutely by precedents one way or the other.

The Minister of Customs (Mr. Boivin) pointed out that this was not a question for parliament to decide at all, but for the courts. I repeat, Sir, that to my mind this is a question for parliament to decide. It surely is one of the duties of members of this House to decide as to the character of those who shall sit here to legislate, and if it is their opinion that some member is illegally sitting in the House, then it seems to me it is their duty to say so. The hon. Solicitor General (Mr. Cannon) a few moments ago stated that this petition was for the purpose of unseating Mr. Kennedy and seating Mr. Collins, but that is only if the committee to which this petition would properly be referred so decided.

The reason, Sir, why I have taken part in this debate is not because I felt I could add anything to the legal argument regarding the point of order, but because last evening after the House rose I happened to be reading a book published many years ago which dealt with a case so much like the one now before us that I thought it was worth while quoting from the volume, and I shall do so with all the greatest pleasure because my good friend the Solicitor General has often been in the habit of citing Charles James Fox. Fox, you will remember, was a brilliant Whig, and in the election of 1784 he ran for the constituency of Middlesex. It was a two-seated constituency and there were three candidates. The bailiff, who acted as returning officer and who was a political partisan, took the attitude of refusing to make a return of the election of Fox to the House. The younger Pitt was the then prime minister of England and he supported the bailiff, contending that the bailiff was correct and need not make a return in this case. One of Fox's friends moved a motion, which I shall not read, to the effect that the bailiff must be forced to bring in the return of that election which he had so far failed to do. Fox had run for another seat and was a member of the House although not for the county of Middlesex. The motion was debated, and the words of Fox are so apropos to the question now before us that I propose to read them for the benefit of hon. members. Addressing the House, Fox turned to Mr. Pitt and uttered this warning:

To the right hon. gentleman over against me I will beg leave to offer a little advice.

Perhaps I might offer this advice to the Prime Minister at the present time.

Mr. MACKENZIE KING: Perhaps my hon. friend will take his own.

Mr. MANION: I am sure the right hon. gentleman will never take my advice, and I am just as sure I will never take his.

If he condemns this measure, let him not stoop to be the instrument of its success. Let him well weigh the consequences of what he is about, and look to the future effect of it upon the nation at large.

Mr. MACKENZIE KING: Hear, hear.

Mr. MANION: The Prime Minister says, "hear, hear." He is going to take the advice after all. I sincerely hope he sees the importance of dealing with it from the national standpoint as Fox advised.

Let him take care that when they see all the powers of his administration employed to overwhelm an individual, men's eyes may not open sooner than they would if he conducted himself within some bounds of decent discretion, and not thus openly violate the sacred principles of the Constitution. A moderate use of his power might the longer keep people from reflecting upon the extraordinary means by which he acquired it. But if the right hon. gentleman neglects his duty, I shall not forget mine. Though he may exert all the influence of his situation to harass and persecute, he shall find that we are incapable of unbecoming submissions. There is a principle of resistance in mankind which will not brook such injuries, and a good cause and a good heart will animate men to struggle in proportion to the size of their wrongs and the grossness of their oppressors. If the House rejects this motion and establishes the fatal precedent that follows that rejection, I confess I shall begin to think there is little to be expected from such a House of Commons.

Mr. NEILL: May I ask, did the House accept the advice of Mr. Fox?

Mr. MANION: My hon. friend is too impatient. The motion being put was rejected by the House of Commons by 195 to 117.

Mr. NEILL: And the advice?

Mr. MANION: And the advice. But I would counsel my hon. friend not to laugh too soon, because a few days later Pitt, on the same question being brought up again, moved as an amendment that the House should adjourn, and was defeated by 162 to 124. Fox was thereupon seated for the county of Middlesex.

Now, the point I wish to make is that one hundred and forty-two years ago—in 1784—the members of the British House of Commons of that time took the high-minded stand which I particularly commend to hon. members of this House, for they voted against their leader because they felt an injustice had been done to Fox, and they also felt that they should have something to say in deciding whether he should be accepted as the member for the county of Middlesex. I believe to-day it is the duty of this House of Commons to take a similar stand, and —if I may respectfully suggest so—I believe it is the duty of the Speaker of this House to rule on the same exalted plane in this regard, so that this House of Commons shall live up to the high traditions that the British House of Commons established one hundred and forty-two years ago.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I trust the House will excuse me for the presumption of intruding into a debate which is usually reserved only for the legal lights, but I will be very brief, and as we have wasted so much time already it will not matter if we waste a little more. I say "wasted" advisedly, because the greater part of this afternoon has been consumed, not in debating a point of order, not in hon. members addressing themselves to argument to guide you in your decision, Sir—that was done in twenty minutes; nearly all the argument was devoted to emotional appeals to this House, and possibly beyond this House to the country, but principally to the ordinary lay members, to influence them, in case your decision should be appealed from, not to decide strictly on the rights of the question at all but to regard it from a sentimental and sympathetic point of view.

If the hon. member for West Calgary (Mr. Bennett) will allow me to make a suggestion for his future guidance and for the benefit of those at this end of the chamber, I noticed that while speaking of the legal aspect of the question he expressed himself to hon. gentlemen opposite in a tone quite inaudible to those at any distance from him, but when he came to the sentimental appeal, we could all hear him. I would suggest that we are not so unintelligent as to not be able to understand an argument founded on law, as well as an appeal of a sentimental character.

A great deal has been said about the—I could almost use the word—iniquity of a member sitting in this House, who may possibly be found at some future time not to be entitled to his seat. I think it is generally admitted that the hon. member could not resign now if he wanted to; that is the law, enacted by this parliament. The procedure or law which prevents his resignation is not a mere technicality to be taken advantage of by the hon. member; it is a deliberate enactment, that a member whose seat is being contested cannot resign. The inference, I suggest, is that it was thought more important in the interests of any particular district that it should have representation in the House, even by a member afterwards found not to be entitled to the seat. At any rate that is a suggestion which appeals to me as a reason for the enactment which prevents a man from resigning while his seat is in dispute.

The hon. member for Fort William (Mr. Manion) said that this House should regullate or have control of who should sit in it, with which statement I differ. In support of his contention he went back to 1784 for a precedent with which he asks you, Mr. Speaker, to comply, in marked contrast to his remarks of a few moments earlier when he asked you to cast precedents behind and decide in favour of the views he put forward.

Mr. MANION: The Speaker did not decide at all on that occasion; the House of Commons decided. It was not a precedent for the Speaker.

Mr. NEILL: What was the purpose of parliament in passing the Corrupt Practices Act and similar legislation? Was it not that we might be removed from any temptation to tyrannize by a political majority over the minority? It was felt that it was unbecoming, unwise, and not calculated to be in the best interests of our institutions that we should have an opportunity of deciding who shall be a member of the House, owing to the obvious temptations of political partisanship. Therefore, as one hon. member said, we divested ourselves of the right to deal with those questions and put them entirely in the hands of the courts.

I recall a precedent; I do not go back 184 years for it, but it is within my own recollection. There was an election in British Columbia in 1898, and the House met early in 1899. They did not have party lines in those days, so I am not attacking the sincerity or integrity of any party in this House, but it was a close House, such as we have here. A couple of votes might have defeated the government, and there were two members against whose election petitions had been presented. There were some irregularities, the exact details of which I cannot at the moment recall. The House took up the ques-

tion of the right of these members to occupy their seats; the question was referred to a committee and the government brought in what was called an enabling bill, declaring that these two members were legally elected, thus validating whatever irregularities had occurred. I well recall the opposition of the day, whose legal spokesman was the late Justice Eberts. I was young and innocent in those days, believing everything I heard in parliament, and I was particularly impressed with the language he used in regard to this enabling bill. The opposition fought it tooth and nail; "Nailing hon. members into their seats by the corrupt government majority" was one of the mildest epithets applied. I remember the late Justice Eberts, standing with the bill in his hand, beginning his remarks with the words, "Mr. Speaker, I hold in my hand one of the most, if not the most, corrupt pieces of legislation ever presented to this or any other legislature in the civilized world." That was the attitude taken by the opposition, and they talked for days and weeks about the impropriety and unbecoming action of the government. They said, "Why not leave it to the courts, where a fair and just decision would be made?" Other precedents were pointed to where men had sat in the House, although later unseated, and there was nothing to prevent that course being followed in this case. That was the attitude taken at that time, whatever its faults of logic or whatever partisanship may have been involved. I have always since been convinced that it is highly desirable that no political party should be enabled to exercise control which would certainly be partisan in the matter of who should or should not occupy seats in this House.

Sir HENRY DRAYTON (West York): I had not intended to speak on this point of order, Mr. Speaker, but there are one or two things which I think have not been made quite clear. I am going to address my remarks first to the very peculiar circumstances in which we find ourselves, and how these circumstances arose, with the idea of seeing that we quite appreciate the situation.

Let us clear away a little brushwood first. I do not think there is very much doubt as to the crimes committed. It is quite true, as the Minister of Customs and Excise (Mr. Boivin) has pointed out, in making a strong argument in favour of Mr. Kennedy, that there is an appeal pending. But the minister did not go on to tell us that that appeal was taken on an absolute technicality; that no answer whatever is attempted to the charge that ballots had been switched, and that the facts are exactly as represented in the petition. I understand that there is no dispute as to that; so far I have heard of none in this debate. We can apparently take it for granted, therefore, that the facts are as represented, and that the crimes were committed as alleged in the petition.

Then let us move a little further. Is it a good thing that cognizance should be taken of these crimes; is it a good thing that the wrong should be righted? I suppose if we ask that question we put ourselves at once in the position of answering it; and the answer is in the affirmative. Here is an admitted case so far as the facts are concerned. I know nothing of what is going on or of what has gone on except what I have learned this afternoon. I asked my hon. friend the Minister of Customs on what date the petition which is making all the trouble here, this petition which is preventing Mr. Kennedy from doing the proper thing, this petition which is tying his hands and leaving him still with the stolen goods, was filed, and I have learned that it was filed on the 26th of February. I take it that my hon. friend's information is correct. I also learned that the petition was filed, not by Mr. Collins claiming his seat, not by any Conservative, not by anybody who was desirous of showing up these wrongs and having them remedied, but by the very party on whose behalf these crimes were committed. It is a petition launched in the Liberal interests. It is a petition brought by those who were the beneficiaries of the frauds committed and of the crimes that have been proven—the Liberal party. Why does the Liberal party take this stand?

Mr. MACKENZIE KING: May I interrupt my hon. friend? I do not think he wishes to misrepresent my attitude. I have already stated to the House that the only motive I have had in asking the Speaker's ruling on this matter is that not only as leader of the government, but as leader of the House, I have a certain obligation placed upon me in regard to matters that pertain to the orderly method of carrying on business in the House, and to see that the independence and freedom of members of parliament are protected and respected. I have felt that by asking Mr. Speaker to give his ruling on the point in question before we get into a general discussion, which it was the evident intention of the Controverted Elections Act to avoid, I was taking the course that would attain that end with the most dignity and decorum. That is the only reason I have had for bringing the matter up in this way.

Sir HENRY DRAYTON: My right hon. friend is not following me. I am not referring to his point of order to-day at all. I am leading up to the situation here, and I am pointing out that the petition which has been lodged against Mr. Kennedy was, according to the information I gathered from the Minister of Customs, lodged in the Liberal interests. I was merely trying to get the House seized of the real situation. I was next going to refer to Mr. Kennedy's importance to the Liberal party.

Mr. WOODSWORTH: Mr. Speaker, I rise to a point of order. Under cover of points of order this afternoon we have had a direct attack made upon a member of this House who is placed in the position where he cannot defend himself. I do not think it is fair, and I cannot see that the present speaker is in order in beginning to show how this might affect the Liberal party or how it might affect Mr. Kennedy. It seems to me to be quite outside the point of order with which we originally started.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. SPEAKER: At six o'clock a point of order was raised by the hon. member for Winnipeg North Centre (Mr. Woodsworth) with reference to some remark made in regard to the member for Peace River (Mr. Kennedy) by the hon. member for West York (Sir Henry Drayton). I would ask the hon. member for West York to confine his remarks to the point of order, as I do not think the question of the personality of a member of the House of Commons should be considered in the discussion of a question such as the one now before the House.

Sir HENRY DRAYTON: I entirely agree with your ruling, Mr. Speaker, but so far I have not contravened it. I have made no reference whatever to the personal character of the hon. member. I am, however, referring to the exact situation which Your Honour in the first instance has to deal with, having regard to the point which you are asked to decide and what may happen as a result of the ruling on that point of order. Parenthetically I would like to point out to my hon. friend who raised the point of order (Mr. Woodsworth) that I am rejoiced to see his change of heart. Earlier during this session precedent was something which was absolutely to be forgotten, not only by the hon. member himself but by the rest of the cohorts to your right. Precedent, according to their argument, was something to be overlooked; parliament was all-strong and all-powerful and could do what it liked. Sometimes people change their minds and sometimes they do not.

I was pointing out, Mr. Speaker, that we have at the moment an admitted case of wrongdoing by an officer of this House. In the first instance, to make my point perfectly clear, I am not for one moment saying that, assuming Mr. Kennedy had been guilty of an offence under the Elections act, this House could, in view of the statute as to corrupt practices, take any action. I do not think the House could, and the only point here made —and it has not yet been answered—is that this House has the right to review the action of its officers. We have here an admitted case of a serious offence by an officer of this House. The hon. Minister of Customs and Excise reasons closely; I think he has probably stated the point more effectively for Mr. Kennedy than anybody else could. But with his closeness of reasoning he has admitted two things. He has admitted that this House has the right to review the action of its officers. In the next instance he has admitted it has the right to remedy the wrongs done by its officers. I need not go further than to take the two statements made by the hon. Minister of Customs and Excise. Let me repeat, so that there will be no doubt about it, that in the first instance this House has the right to review the action of its officers, and in the second instance this House has the right to remedy wrong arising from the improper conduct of its officers. The hon. member qualified those two statements by saying that their wrongs could not be righted; that the actions of the officer could not be considered until the proper time arrived; that they could not be considered now. Why? Simply because be have a petition pending. Is there any doubt as to either of those statements or as to the ground upon which the hon. gentleman based his real argument?

Let me refer to one or two more of the hon. gentleman's arguments and I think, Sir, you will agree with me that the real gist of his contention was what I have just stated. He referred in the first instance to the mistake made by the hon. member for West Calgary (Mr. Bennett) when he referred to you, Sir, as my Lord, instead of Mr. Speaker. He seemed to regard that as a clear and unmistakable indication that in his heart of hearts the hon. member knew he was making his argument in the wrong place. I do not suppose I need stress the absurdity of that argument, but it seemed to be taken very

seriously by hon. gentlemen across the way. I do not blame them for taking it seriously; in the absence of all real argument it would do; but I need not to say, Sir, that it is impossible that this petition should be thrown out because of a slip of the tongue.

His second point was that if this petition be received we shall have two trials proceeding at the same time. I think the hon. gentleman himself subsequently abandoned that point. We all know that the trial cannot go on, unfortunately—that is, unfortunately if the hands of this House be tied—while the House is in session. There is therefore nothing in that point.

His third point was that even if the petition were received Collins would not benefit by our receiving it because there would be obstruction in the committee and the like. I wonder whether it occurs to you, Sir, that a threat of improper action on the part of a committee is a reason for refusing the just rights of a petitioner. If it be not, there is nothing in the third point.

His fourth point was that if the House received the petition in this case, petitions to parliament would be in order every time a deputy returning officer was mistaken. This petitioner is not here on the ground of any mistake. My hon. friend stressed the question of mistakes; he sought to point out how mistakes could be easily made, honestly made. I wonder why? It is useless to talk about mistakes in the presence of absolute crime, admitted and proved. Why do I say "admitted"? I say admitted, because as I understand the matter—and I have made the same statement before without contradiction—the appeal relied upon by the Minister of Customs and Excise is taken merely upon a trifling technicality and not upon the merits of the case, not upon the facts that have been proved. Therefore I am well within the mark when I say that the real argument made by the Minister of Customs and Excise is that at the present time this House can do nothing. We must remember that that statement is made after his answer to my right hon. leader that parliament has the right to review the action of its officer and that parliament has the right to remedy wrongs committed by that officer.

I was referring to the question of the time not being ripe for dealing with this matter. The hon. member for Winnipeg North Centre pointed out that the hon. member whose seat is called in question could not take any part in these proceedings. I think he is enjoying them. He was enjoying them this afternoon; he was in the House at the time the hon. member for Winnipeg North Centre interfered in his behalf. He is present now. When I was interrupted I was pointing out what is the vital thing having regard to the one point really made by the Minister of Customs and Excise, namely, that the time is not ripe for action on the part of this House to rectify the wrong. Why not? We have this petition filed on the 26th day of February against the return of the hon. gentleman. It was filed not by the petitioner or by a supporter of the petitioner, but by the petitioner's political opponent. The petitioner had nothing to do with it. It was filed on behalf of those who were interested in the crimes committed by Robb. We have this anomaly, that the reason why no action can be taken is because the real beneficiaries of Robb's crimes have lodged that petition! I wonder if it is possible for anyone to consider seriously the suggestion that nothing can be done now because the beneficiaries of this man's crimes have lodged a petition? If they are to be kept in charge of the proceedings in this way, it is a sorry day for justice.

I am aware of the provisions in the Elections Act as to other interests coming in and taking part in the proceedings. I am also aware how absolutely unworkable those things are. I have had to do with election petitions, and I know it is hard enough to fight election petitions when one has the right of way let alone having to carry on a three-cornered fight with a plaintiff in the position of sticking you in the back whenever he gets the chance.

How far have we got? We have reached the point that a political opponent has become useful to the government; that he has supported the government on every single vote prior to the 26th of February; that he was appointed on February 5 to the Customs inquiry committee on which this government's future depends; that he is being looked after by the government, while at the same time, on paper, supporters of this government are attacking the seat. Why? So that the hands of this House may be stayed, so that effect may be given to the argument made by the Minister of Customs and Excise. We have the right to correct wrongs committed by our servants; we have the right to discipline our officers. But, forsooth, we cannot do so as long as that petition stands. The government will hold the support of the hon. member for the session.

You, Mr. Speaker, are familiar with the election law, just as, I am sure, members of

the government are. I have not had occasion for some time now to consult the statute, but if, as I fancy, my recollection is correct, it used to be the law at one time at any rate, that any man could be sworn and put into the box and compelled to say how he had voted. My impression is that this is still the law, and I have no doubt that the government is equally aware of the fact. But they know also that those people who were witnesses in the criminal trial could not be called and compelled to give evidence on an election petition.

Now, what is the situation to-day? Here we have an ostensibly proper return, and if anything is wrong with it how shall we get around the difficulty? On a criminal trial electors can be called and sworn and compelled to give evidence, but this cannot be done in the case of an ordinary election petition. In view of that fact is there any reason why, in a matter in which right and justice are at stake, a petition of this kind should be refused? The argument that we are here attempting to set aside the Controverted Elections Act is without point; it falls entirely by the way. No one is suggesting that anything is to be said against the hon. member, apart from the fact that knowing of this fraud, knowing that the seat was stolen from Collins by an officer of the House, he stands pat and exercises his functions as if he were indeed the representative of the electors of the constituency from which he comes, while as a matter of fact his election has been the result of the machinations of this officer. Apart from that knowledge on the hon. member's part, nothing can be said against him. So far as the petition itself is concerned there is nothing in its language in the slightest degree derogatory of the hon. gentleman.

What are the various circumstances that usually attend an action under the Controverted Elections Act? They are acts on the part of the candidate, the acts of his agents, the purchase of votes, and allegations of that nature. Your Honour is familiar with them all. But not one of these circumstances enters into the question at present under review, the only point at issue being the conduct of an officer of this House whom we seek to bring before parliament. I shall close by again pointing out what has been said by that hon. gentleman who, I think, has probably looked into the matter as closely as any one of us and who has spoken on behalf of the government. Certainly no hon. gentleman is more interested than he in seeing that in respect of himself he should present the strongest possible case. I refer to the Minister of Customs (Mr. Boivin). What did he say? This House, he declared, has the right to inquire into the acts of its servants and to redress their wrongs; but it would appear the House cannot exercise that right so long as the other petition is there. Is parliament to be so gagged and stifled?

Mr. HENRY BOURASSA (Labelle): May an ordinary member venture to participate in a scientific debate? If I may be allowed a few minutes, Mr. Speaker, I should like to state with the utmost candour my humble opinion on this whole question. It seems to me that we must distinguish clearly between, on the one hand, the right of any Canadian citizen to petition parliament upon any question which he believes it is the duty of parliament to consider, and on the other hand the object of that petition. In my opinion the government would have done the right thing in receiving the petition which has now been presented to parliament, just as I think parliament should receive any other petition that might be submitted by a Canadian citizen in respect of any other question. Then, upon ascertaining the object of the petition, it would be for parliament, or some committee of parliament to consider whether the petition was one that might properly be dealt with by the House and adjudicated upon.

With due deference to the decision which you may give, Mr. Speaker, I do not think that until a petition is received by parliament it can be decided whether its object is such as to require consideration. I am not very much versed in the history of precedents and decisions in relation to cases of this kind, but as a Canadian citizen and a British subject I would seriously hesitate before denying to any Canadian the right to petition parliament touching any grievance which he may think he has, and concerning which he seeks redress.

On the other hand, as regards the qualification of members of the House to sit in parliament, and respecting the circumstances connected with their election to the House of Commons, I think it was a wise decision which was arrived at some fifty years ago, to constitute a regular legal procedure through which anyone who desires to do so may contest the election of any member of parliament and ask that all the circumstances under which he was returned be probed. In this case, the simplest procedure would have been to receive the petition and submit it to the committee on Privileges and Elections, and on its being proven there that legal proceedings were being taken to find out whether the election of the member for Peace River is valid or

void, that thereupon this House should await the decision of the tribunal to ascertain whether or not the present representative is entitled to his seat.

As a parliament I do not think we have the moral right to refuse any petition that is presented to us from any citizen. On the other hand, I think it is a matter for the committee on Privileges and Elections to decide whether that petition is sustained by facts and should be received. I quite appreciate the argument of the Minister of Customs and Excise (Mr. Boivin) that it would be ridiculous to have two trials, one before a court sitting in Alberta, the other before a committee of the House, to decide whether or not the constituency of Peace River is properly represented by the present member or should be represented by another gentleman. On the other hand, I think the procedure followed in some other cases of a similar nature which have been quoted this afternoon was proper.

It seems to me that we should receive the petition, and that it should be referred to the appropriate committee. At the same time not only the friends of the government sitting upon that committee but all the other members of it should bear in mind that parliament having put upon the statute books a law under which all matters relating to the election of members to the House of Commons must be dealt with by an impartial tribunal, before which witnesses can be summoned to give their testimony and the parties interested can present their argument, that tribunal is the proper authority to deal with the whole matter and not the committee. I realize that from a certain point of view it is an absurd situation, and I quite appreciate the attitude taken by the Prime Minister, who in effect said: What is the use of receiving a petition which parliament under the present law must leave to the proper tribunal for final decision? I admit the soundness of his reasoning. But on the other hand I cannot forget the basic fact that if we deny to any citizen the right to petition this House upon any grievance, whether well or ill founded, that he may have, it would mean renouncing one of the fundamental principles of our parliamentary system of government and of British liberty, and so far as I am concerned I am not prepared to vote for such a renunciation. As I have already said, I recognize that it brings us to the absurd situation that we should receive the petition because as a matter of right every citizen is entitled to present his grievances to this House, but at the same time we should take proper care that the committee to which that petition is referred, or the House itself pronouncing after that committee has reported, should not annul the position it has taken with regard to controverted elections.

Mr. MEIGHEN: Will the hon. member permit a question?

Mr. BOURASSA: Certainly.

Mr. MEIGHEN: If it is a fact that witnesses at an election trial cannot be compelled to give evidence as to how they voted, then would it be possible to have the question raised in this petition adjudicated upon at an election trial?

Mr. BOURASSA: I do not quite catch the point made by the right hon. gentleman. As I understand it, parliament thought fit, a good many years ago,—and rightly so, I think—not to divest itself of the right to inquire into the doings of its officials with respect to elections, but to empower tribunals clothed with the necessary authority to look into such questions, to summon witnesses, to hear argument, and to decide whether or not wrongful acts have been committed by sub-returning officers or returning officers, or whether either of the candidates has been guilty of bribery or corruption or of any other wrongdoing which would justify those tribunals, acting in the name and under the authority of the parliament of Canada, to determine whether or not Mr. so-and-so is entitled to a seat in the House of Commons or should be excluded therefrom. Rightly or wrongly, parliament has decided, not to divest itself of its authority in these matters, but to delegate that authority to impartial tribunals, instead of leaving it to the will of a partisan majority in the House to decide whether or not a friend or an opponent of the dominant party should sit in the House. This I think, was a wise provision. If we deem it to be contrary to the privileges of parliament, let us repeal or amend that law, but as long as that statute stands as the expression of the will of parliament and the people let us respect it.

It seems to me, Mr. Speaker, that it would be a most improper procedure on our part and not calculated to maintain in the minds of the people any respect for our parliamentary institutions, to say: Because we are in a hurry to take a seat from one party and give it to the other, we will take the case out of the hands of the tribunal which is now considering it and ourselves decide whether this man instead of the other man shall take his seat in this House, and so increase or diminish the majority of one party or the other.

Therefore, so far as the merits of the question are concerned, I could not for one moment entertain the idea of having this petition considered on its merits, and say that the hon. member who was here a moment ago—and who I think should be out of this House while we are discussing his case—should have the question decided in his favour or against him, and that we should establish the right of his constituency to be represented in this House by Mr. Joe or Mr. John or Mr. Dick because of the action of one deputy returning officer out of two hundred, more or less.

On the other hand I do not think we should lay down the principle that any Canadian citizen should be denied access to this House with a petition for the redress of any grievance he may consider he has, whether he is right or wrong. I will admit there is not much logic in that statement, but if we examine the development of parliamentary government we must admit that there are many nonsenses connected with it which we must tolerate and accept as being among the guarantees of the liberty of the subject. Therefore, Sir, I am prepared to vote for the reception of this petition, just as I am prepared to vote for throwing it out of the purview of this parliament, because at present there is a judicial tribunal constituted under the laws of Canada to consider all the circumstances of the election.

Some hon. MEMBERS: Oh, oh.

Mr. BOURASSA: Hon. gentlemen may laugh, but I have seen many cases in which both parties were interested, in which the same spirit evinced to-day has shown itself in one way or another. Precedents are in vogue; principles are laid down, but it is certain that either through a judicial tribunal or through this House, any party looks after its own interests. It is just as well to admit that fact frankly as to conceal it hypocritically. But there are a few principles of law and government stronger and more enduring than the small and passing interests of any party or group of men. One of such, to which I have adhered all my life and to which I will always be true, is the principle that any citizen has a right to appeal to the parliament of Canada for the redress of any grievance. I will never go back on that. I have imbibed it in my study of parliamentary institutions, and no concern of friendship or of personal or collective advantage will make me depart from it.

On the other hand, considering the political conditions of our time and country, I think parliament was right in deciding that all matters connected with electoral contests should be left to the decision of tribunals made up of supposedly impartial judges. When it comes to the merits of the question at issue, therefore, I consider that we have no moral right to decide upon the proper representative for this or any other constituency which may find itself in similar circumstances, because we have charged tribunals in every province of Canada to deal with these matters. These tribunals exercise the authority of parliament, under an act of parliament, which authority was, as a matter of fact, exercised by the old parliaments of Canada and England for many years. When it was found that such abuses of power, of partisanship and of passing majorities were occurring, parliament unanimously decided to leave to impartial tribunals the decision in matters of law as well as in matters of fact connected with the election of members of parliament. Upon these two principles I have acted, thought and fought during the twenty-five years I have been in the active public life of my country, and to them I remain true to-day.

To sum up these somewhat rambling remarks, I stand for the reception of this petition, because I would not deny to any fellow-citizen the right to petition this parliament. On the other hand, since the whole of this question has been debated in this House—quite improperly, I think—I stand for its reference to the proper tribunal instituted by this parliament to deal with all matters of this kind.

Sir GEORGE PERLEY (Argenteuil): I have listened most carefully to the speeches in connection with this most important subject, Mr. Speaker, and I must say that in my opinion the debate has shown that the Prime Minister (Mr. Mackenzie King) made a mistake in the way he brought this subject before the House.

Mr. MACDONALD (Antigonish): He did not bring it before the House.

Sir GEORGE PERLEY: He brought in a motion this afternoon.

Mr. MACKENZIE KING: I made no motion, but merely rose to a point of order to avoid discussion until the proper moment.

Sir GEORGE PERLEY: The Prime Minister made a mistake in raising this point of order at this time. My reason for that statement is that the speeches have nearly all been on the merits of the case, and it seems to me that the remarks of the Prime Minister should have been made before the committee,

where they would have been heard and received with proper attention. I agree with the hon. member for Labelle (Mr. Bourassa) in regard to the reception of this petition; it seems to me this petitioner ought not to be refused access to parliament.

What is the point at issue? The point is whether Your Honour shall rule this petition may be received, or that the point of order raised by the Prime Minister is sound. Last fall writs were issued for an election; the chief electoral officer was instructed to carry out an election under the act, and the returning officer for Peace River was appointed. What was he told? He was instructed to return the writs to Ottawa on a certain date, and to state what candidate received the greatest number of votes. In this case the deputy returning officer made a false statement of the result of the voting at his poll. There is no dispute about that; he has been convicted of changing ballots, and sentenced for the offence. Under these circumstances the writ was never returned to Ottawa in accordance with the act; in other words the writ did not properly state who had received the greatest number of votes. To say that this House has no authority over its own servants when misconduct of this kind has occurred is, it seems to me, going much further than anyone should care to go.

Hon. gentlemen opposite have referred to a case back in 1874 and a later case, but there were two still later occasions on which matters of this kind came before the House. I do not know so much about the case in 1887, but I remember very well the Huron case, which came into this House, I think, in the year 1900. It was referred to a committee of the House, and was argued before that committee for weeks before a report was brought into the House. Therefore I claim that Your Honour has a specific precedent for allowing this petition to be received by the House and dealt with afterwards in such way as the House may see fit. In other words, I claim that the Huron precedent of 1900 is a perfect precedent from the point of view of Your Honour in deciding the question before us.

I was very much struck with one of the arguments put forward by my hon. friend from West York (Sir Henry Drayton), when he stated that under the Controverted Elections Act no power rested in the judge to compel any witness to say how he voted. In other words, the secrecy of the ballot has been guarded as strictly as it was possible to do it in our legislation, and as I understand it, no voter can be compelled in an election trial in the courts to say how he voted. That being the case, I put it to my hon. friends opposite that there is no way in which a case of this kind can properly be tried under the Controverted Elections Act. If the voters cannot be compelled to say for whom they voted, how is it possible to bring home this scandal in connection with the action of the deputy returning officer in Peace River? What happened there was this. As I understand it, in general terms, the deputy returning officer having the ballot box in his charge and under his authority, opened or got someone else to open it, took out the ballots that were in it, and substituted for them a lot of other ballots marked in a different way. At the criminal trial of the deputy returning officer, certain electors appeared and volunteered the evidence that they had voted in a certain way. They satisfied the judge and jury that this officer had committed a very serious crime, and thereupon the judge sentenced him, and not only sentenced him but made the statement that Collins was the man who should have been sitting as member. Therefore, Mr. Speaker, I submit that on the merits of this case this petition ought to be received and referred to the committee on Privileges and Elections, where all these arguments as to why the case should be sent to the courts instead of being tried by a committee of this House could be submitted in a better way than they can possibly be argued here.

I am not a lawyer, and I am treading on dangerous ground when I deal with matters which lawyers have been discussing all afternoon. But if I am right in my understanding that under the Controverted Elections Act no voter can be forced to say how he voted, I would say that when parliament undertook to divest itself of jurisdiction in ordinary election trials for corruption and improper practices in an election as we understand them, it certainly did not undertake to divest itself of jurisdiction in a matter of this sort, where an officer of this House has committed the crime of changing the ballots and has wrongly declared the result of the poll, knowing that he was telling a falsehood. I do not believe the law passed in 1874 was intended to cover a case of that kind, particularly when this is the only place where a voter can be compelled to say how he voted. I submit to Your Honour, therefore, that as, at the election last fall, the returning officers were instructed to declare to this House the candidate receiving the greatest number of votes, and as this deputy returning officer in Peace River criminally changed the ballots and made a false return from his own poll, knowing it

to be false, and as, in consequence, a false return of the result of the election in that constituency came into the office of the Chief Electoral Officer, Your Honour should declare that this is a petition which ought to be received by this House, and be dealt with by this House as it thinks proper.

Hon. J. C. ELLIOTT (Minister of Labour): Mr. Speaker, it is not my intention after the very exhaustive manner in which this subject has been treated by hon. members on both sides of the House to go at great length into a citation of cases in support of the point of order raised by my right hon. leader (Mr. Mackenzie King).

May I first of all refer to the fact that a great deal of the argument adduced by hon. members on the other side of the House was, I think, argument which could properly come before the House only after 9 p.m. the petition had been received. The question referred to by my hon. friend from West York (Sir Henry Drayton) as to whether or not it was practically admitted that certain violations of the Elections Act had taken place—the same suggestion raised by my hon. friend who has just sat down (Sir George Perley)—has, I submit, no place in this argument.

The question that this House is asked to consider now is whether or not under the law as it stands this petition should be presented to the House. If the other question were opened, hon. gentlemen might very well recall the appeal which has been taken and the fact that a number of the witnesses who gave evidence in support of the charges have since had criminal prosecutions instituted against them, some of them now, I believe, being under arrest. The matter is by no means settled, but I submit that in referring to that I am clearly out of order, and I do so only in reply to what has been said by my hon. friends opposite.

May I also in answer to my hon. friend from West Calgary (Mr. Bennett), who referred to the Donaldson case in the province of Saskatchewan, refer to something to which he, quite inadvertently, I have no doubt, did not refer? In reading from the petition in the Saskatchewan case my hon. friend did not read what is to my mind a very important paragraph.

Mr. BENNETT: I read it very particularly with respect to the court not having jurisdiction, and said that that differentiated the case. I pointed that out very distinctly.

Mr. ELLIOTT: I am referring to clause (g), which says:

> Mr. Donaldson entered a petition in the Supreme Court of the Northwest Territories contesting the election of Mr. Tyerman, which petition was outstanding and pending until the twelfth day of December, 1906, when the same was dismissed for want of jurisdiction.

The province of Saskatchewan was a new province at that time. Then I refer to the succeeding page where the matter is discussed --page 85:

> In places where acts providing for the trial by courts of controverted election petitions are in force, the legislature have on more than one occasion refused to deal with the question of the right to the seat as between two contending parties, and have limited the jurisdiction of the House to questions such as the personal disqualification of a person returned as member.

It is limited to the personal disqualification of the person returned as a member and not the question whether or not he should have been returned. But the Supreme court of the Northwest Territory having no jurisdiction to hear and determine questions relating to controverted elections, there would be no doubt that the legislature has what is called constitutional jurisdiction and has a right, in fact is bound, to hear and determine, through its properly constituted committees, matters in regard to the election of members. The only reason that case was ever allowed to be considered was because at that time no properly constituted courts existed in that province to try controverted election petitions. They were supposed, as is stated here, to have what is called "constitutional jurisdiction", on the plea that they, being provinces or territories, the jurisdiction must be vested somewhere.

Taking that into account, and having in mind the argument of my hon. friend when he cited that case, may I just refer you, Mr. Speaker, to the conclusion which I submit that inevitably leads to? Jurisdiction to try cases of this kind is placed somewhere in the wisdom of the parliament of Canada. I desire to congratulate hon. members on both sides of the House on the manner in which this debate has been conducted this afternoon. I suppose no debate of this kind was ever conducted in a more dispassionate, in a more judicial and perhaps more absolutely fair manner than the present debate But you have before you, Sir, a number of hon. gentlemen on one side of the House taking one view, and an equal number on the other side of the House taking exactly the opposite view. Apparently that is what has taken place in this House on various occasions when matters of this kind came before parliament. I appeal, to you, Mr. Speaker, and to every member in

this House, if that is not the best evidence of the wisdom of those legislators who, back in 1874 or prior to that date, decided that in matters of this kind the man who was certified as being the man elected should take the seat. There is always more or less contest in every election, but whether it was a close election or one in which there was a large majority for one party, the man who was certified to this House by the returning officer, after the recount and all other proceedings had been concluded, as being the man elected, could take his seat, and the question of his right to that seat was not to be inquired into by a possible adverse majority in the House.

Sir GEORGE PERLEY: Will the hon. gentleman explain why it was that in 1900 the Huron case was referred to the committee on Privilege and Elections and discussed for weeks? It was brought up in connection with the election case, although it was years after the 1874 law was passed.

Mr. ELLIOTT: I am going to refer to the decision, and I am going to read the review made by the right hon. leader of the opposition of the decisions as they stood in this House on the 17th March, 1913. In order to clear the right hon. gentleman's mind as to what actually took place, may I, even at the risk of trespassing on the time of the House, read what my right hon. friend the leader of the opposition said, at page 6142 of Hansard of 1913? After stating what the Minister of Customs and Excise has already read, the right hon. member said:

> It was that, since the passing of that act in England in 1868 and since the passing of a parallel act in Canada in 1873 these Houses—

That is the British House of Commons and the Canadian House of Commons—

> —had divested themselves of all authority to inquire into matters connected with elections, save only the question as to the qualifications of the members elected —as to whether or not that member was a minor, felon or convict. That was the limit of its power; that was the contention of Sir John Thompson, and that contention was quoted with approval by the right hon. leader of the government. Sir John Thompson quoted as authority for his position the opinions of Lord Selborne and Lord Coleridge expressed in 1870 in the British House of Commons, on which occasion those two eminent judicial authorities said:
>
> "It is true we have divested ourselves of our jurisdiction over all election matters, but it does not follow that we have not the right to say that our writs shall be obeyed. The writ issued by this House calls upon the people of a certain county to elect a certain qualified representative, and we still reserve authority and jurisdiction to inquire as to whether or not they have returned duly qualified men."
>
> That was argued by Lord Coleridge and Lord Selborne.

[Mr. Elliott.]

Then he refers to Sir Louis Davies and he says:

> I apprehend that he would not now be adorning a bench of the Supreme Court of Canada if he had affirmed views of that nature. Sir Louis Davies argued this and this only.
>
> "It is true we have divested ourselves of jurisdiction over election matters, but we have retained jurisdiction over our own officers—our returning officers and deputy returning officers and over none other."

Mr. BENNETT: If parliament has no jurisdiction over the returning officer or deputy returning officer, then it follows that, if proceedings were instituted in the election court collusively by a member's own friends, for the first session the absolute control of this House of Commons would rest with the man who had robbed the ballot boxes.

Mr. ELLIOTT: I see the point.

Mr. BENNETT: I read that this afternoon.

Mr. ELLIOTT: The hon. member is asking a question now in good faith, but if he had followed closely what I was reading he would not have asked that question, for this reason: I have stated the argument made by my right hon. friend that this House had jurisdiction over returning officers and deputy returning officers and over none other. I have used this argument, and I think when my hon. friend from West Calgary considers the matter, he will be satisfied that what the right hon. leader of the opposition contended, and what those who have supported this point of order have contended, is that the House has jurisdiction over its officers—returning officers and deputy returning officers —and none other. If that be right—and it is as clear as the English language will permit even my right hon. friend to put it—then parliament did not have jurisdiction at the time and it has not jurisdiction now over any of those over whom it divested itself of jurisdiction by the Controverted Elections Act. I refer to the candidate.

Mr. MEIGHEN: I do not want to question the argument which I presented in 1913; in fact I stand by it, but I want to put a question to my hon. friend based upon this assertion. The matter now raised in the petition is not within the meaning of those words an "election matter" and therefore has never been relegated to the courts. The question is this: If the courts are forbidden to compel witnesses to state how they voted, how can the courts try on its merits the question raised in this petition?

Mr. ELLIOTT: I shall be very glad to answer. I was rather surprised at my right hon. friend asking it when he asked it be-

fore. Is he serious when he suggests that men who have already gone into the box and sworn a certain way about how they voted, are not going to do so again?

Mr. MEIGHEN: Does the hon. gentleman say that even if they can go into the box and swear how they voted any candidate should have to depend on their willingness to do so?

Mr. ELLIOTT: I took my right hon. friend's words down and the question he asked was: If a witness cannot be compelled to testify in an election trial, how are you going to find out how he voted? My answer to that is this, and I have not any doubt, but I am not giving an opinion—

Some hon. MEMBERS: Oh, oh.

Mr. ELLIOTT: It is perfectly clear that the Controverted Elections Act was framed to deal with the question which my right hon. friend said in 1913, and I say now this House cannot deal with, namely, the trial of a member of parliament. What my right hon. friend stated then was that the jurisdiction of this House was over returning officers and deputy returning officers and none other. It is as clear as the noonday sun that that must exclude jurisdiction to inquire into the rights of a member to retain his seat. That is a question of election. In order that there may be no misunderstanding, if my right hon. friend has forgotten what he said in 1913 or has changed his views, let me read further on.

Mr. MEIGHEN: I will stand by it.

Mr. ELLIOTT: (Reading):

Sir Louis Davis argued that at considerable length in this House; he reaffirmed it in 1900 in the West Huron case—

That is the case to which the last speaker referred.

—and in doing so he was careful to say that beyond these two cases—

That is, the returning officer and the deputy returning officer.

—parliament undoubtedly had no jurisdiction. That was the position of Sir Louis Davies, and that was unanimously followed by hon. gentlemen opposite. That was the argument presented; that was the limitation, and that alone. There was in those days no member of the Liberal party who had the temerity to stand in his place in this House and over that we still had jurisdiction over all election matters.

Mr. MEIGHEN: Hear, hear. Will the hon. gentleman permit me again? I appreciate a great increase in the authority of my speech of 1913. It did not seem to have much effect then. I want to put the question again.

Mr. ELLIOTT: I think it had perhaps as much effect as my right hon. friend's speech of to-day will have.

Mr. MEIGHEN: It should have had more. I want my hon. friend to answer me as a lawyer, aside from any circumstances of this case: If it is the law that a judge cannot compel a witness to say how he voted—I use the word "compel" again—how is it possible for a judge to try the merits of such a question as is raised in this petition?

Mr. ELLIOTT: It certainly is if the witness comes forward voluntarily and gives his answer.

Mr. MEIGHEN: Supposing he does not?

Mr. ELLIOTT: That is not the point that we are arguing.

Mr. MEIGHEN: But it is essential.

Mr. ELLIOTT: This parliament was under the disability of not having my right hon. friend in the House when that act was framed, but the men who were in parliament then framed that act with a view to meeting the requirements of the people of this country in connection with trials on election petitions. My right hon. friend need have no fear that it is not the best act that they were able to frame. If it is not complete it should have been amended before now.

Mr. MEIGHEN: Will the hon. member try to answer my question now?

Mr. ELLIOTT: I am considering only this question and the decisions. I must apologize to the House for speaking at this length, but it is necessary for me not only to convince other members but apparently to convince some members who have changed their views in the last few years.

Mr. GUTHRIE: What about the point of order whether this petition should be received or not?

Mr. ELLIOTT: That is the point of order, and the decisions are absolutely clear. I am surprised that lawyers of the calibre of hon. gentlemen on the other side who have argued this afternoon should, in view of those decisions, seriously argue that the petition can be received. If there ever were clear decisions upon the question of receiving or not receiving those petitions, the decisions referred to and quoted by my right hon. friend in 1913 make it as clear as it is possible for the English language to make it.

Mr. GUTHRIE: There was no decision in that case.

Mr. ELLIOTT: But in all the cases in which petitions were considered. My hon. friend forgets, or he has not read this case to know, that all cases in which petitions were refused were cited in that case and cited by my right hon. friend. That is the difficulty. What would be the object of receiving the petition—unless an object which I do not for a moment suggest is what my hon. friends have in mind in opposing this point of order this afternoon—if after you have received it you cannot do anything with it? That is exactly the position my hon. friends would be in if a petition were received and this House has no jurisdiction over it. Why? Will any hon. member say that it would be a good thing for the conduct of elections, for parliamentary practice in Canada, to have the right of any member to sit in this House depend upon and be subject to a trial in which part of the tribunal would be an adverse majority in the House? I say that without meaning in the slightest degree to reflect upon the character of any member of any house of parliament.

That was the reason why parliament divested itself of jurisdiction. It was a good reason in 1874; it is a good reason to-day, and in spite of all the solemn warnings that have been given this afternoon against making the great mistake of again refusing a petition, I ask in the name of everything that points to good parliamentary procedure: What would be the reason for receiving the petition if you could not act upon it and try it out after you had received it? I submit, with great respect to the hon. member for Labelle (Mr. Bourassa), that it is useless to receive a petition if after you have it and look into it you find no further facts than those which you already know, namely that it has been already submitted to a court of justice, and you can only return it and say you cannot act upon it. For that reason I represent most strongly that it would be establishing a most dangerous precedent and going back upon the rules of this House if we now departed from the established practice of over fifty years and received this petition. Far from impinging upon the rights of a Canadian petitioner by refusing to receive this petition. Your Honour would in my opinion be taking a dangerous step in admitting it. To receive the petition would be, I respectfully submit, Sir, a procedure contrary to all the decisions which have been given by your illustrious predecessors through all these years.

[Mr. Guthrie.]

Mr. BENNETT: Does my hon. friend not realize that the foundation of the petition is the fact that a court composed of a judge and jury has found a man guilty of having manipulated 111 ballots which were cast for one candidate and counted for another? That verdict, mark you, was given, not by this parliament, but by a duly constituted court.

Mr. ELLIOTT: Having so high a regard for my hon. friend's legal ability, I am rather surprised that he should refer to what occurred in connection with one poll out of a whole constituency and contend that, because the ballots there had been examined and had revealed the fact that a certain candidate had suffered, we should therefore come to the conclusion that an examination of other polls would not disclose, in favour of the man whose seat is now attacked, advantages that might more than offset the loss of the petitioner. There is the weakness of the hon. gentleman's argument.

Mr. BENNETT: That is not even suggested.

Mr. ELLIOTT: It is suggested. More than that, it was stated by the hon. member for Peace River in the declaration he made to the House.

Mr. BENNETT: The hon. member is under a misapprehension. What the hon. member for Peace River said was that polls were not opened where polls should have been, and that had those polls been opened the result would be thus and so. If my hon. friend will look at the election returns as tabled he will observe that in many constituencies polls were not opened where there might have been polls, but no suggestion has been made that there occurred elsewhere proceedings similar to those under review. The House will note further that in doing what he did Mr. Robb was acting for the Liberal candidate and not for Collins.

Mr. ELLIOTT: I am glad the hon. gentleman has brought up that point, as otherwise I might have overlooked it and the comment that naturally suggests itself. The finding to which my hon. friend refers is against a man named Robb. Now, I ask him again, what possible bearing could that finding in regard to Robb's having done something wrong have upon the right of this House to try the right of the hon. member for Peace River to the seat he holds?

Some hon. MEMBERS: Oh, oh.

Mr. ELLIOTT: It is all right for my hon. friends to laugh, but they must not forget that the trial that took place was a trial with regard to a man named Robb who has been convicted.

Mr. CHAPLIN (Lincoln): He robbed Collins of the seat.

Mr. ELLIOTT: Say that again so that we may all hear it Now the charge is not against Robb. There would be something to be said in favour of my hon. friend's argument if he were asking the House to enter into an inquiry in connection with something which Robb or some other official of the House had done. That, however, is not his case. I listened with care to the petition as he read it and I did not observe, as one might have expected, any reference in it to an investigation into the conduct of officials. There is no suggestion to that effect.

An hon. MEMBER: They are in the penitentiary.

Mr. ELLIOTT: Several of those who voted in certain polling divisions are, I understand, now under arrest or have warrants issued against them.

Mr. MEIGHEN: We are not worrying about that.

Mr. ELLIOTT: I suppose not. However, the point is this—and I want to refer to it again so as to make my answer to the hon. gentleman complete. If the petition asked for an investigation into something that Robb or some official of the House had done, then my hon. friend's argument would be right in line with the argument of my right hon. friend. But unfortunately, by the petition he has presented, he has put himself absolutely outside of that argument, and my right hon. friend's words again come to my relief. It is true that we have divested ourselves of jurisdiction over election matters, but we have retained jurisdiction over our own returning officers and deputy returning officers. For that reason I submit that hon. gentlemen have confused this petition with one of a different nature: we are not investigating the conduct of any of those officers.

Mr. J. A. CLARK (Vancouver-Burrard): As I read the petition which is now before the House, I understand the point to be that in the recent election in Peace River one Robb, a deputy returning officer, did fraudulently destroy a number of ballot papers used by the voters at the time and place of the election and that he subsequently substituted other ballot papers for those which were actually cast and deposited in the ballot boxes. The Minister of Labour (Mr. Elliott) has stated that the point before the House for decision is whether or not, under the law as it stands, this petition should be received by the House. I presume the Minister of Labour will agree that inasmuch as, according to the evidence, the deputy returning officer extracted from the box certain ballots which were cast by the electors, destroyed them and substituted other ballots in their place, there is a civil point which should come before some judicial or supreme body such as the House of Commons. I take it that he will agree with me in that respect.

Mr. ELLIOTT: I would agree with the hon. member if what the petition asked for were an inquiry into the conduct of the man who manipulated the ballots in that way. There is, however, no suggestion that the man who is petitioned against did anything of that kind, and that is the difficulty.

Mr. CLARK: I presume my hon. friend will agree that if the deputy returning officer fraudulently extracted from the ballot boxes ballots which were cast by bona fide electors and destroyed them, there would be a case in relation to which a petition could be taken to a judicial body or to parliament. It is now for us to determine whether that should be decided by the courts or by this House. Is that a fair statement of the case?

Mr. ELLIOTT: No, it is not, because my hon. friend does not seem to be able to get clearly the distinction between a petition that does not ask this House to inquire into the actions of a returning officer as such—

Mr. MEIGHEN: It does.

Mr. ELLIOTT: My right hon. friend says it does?

Mr. MEIGHEN: Certainly.

Mr. ELLIOTT: Let me ask my right hon. friend a question. By this petition is he seeking to have the acts of the returning officer inquired into, and nothing more? If so, he is within his rights.

Mr. MEIGHEN: No. We are asking to have them inquired into, and if found to be wrong to have the only remedy applied that can be applied.

Mr. CLARK: Possibly we may disagree as to the interpretation of this petition, but I want to get a fair statement of the facts upon which my hon. friend and myself can agree as a basis for discussion. Let us set this petition aside for the moment. The facts as disclosed to

this House are that ballots cast by bona fide electors and placed in the ballot boxes were extracted by the returning officer, fraudulently destroyed and others substituted therefor. Does that in my hon. friend's opinion constitute a case which can come before the courts or parliament, one or the other?

Mr. ELLIOTT: A case against whom, may I ask?

Mr. CLARK: Naturally it is a petition to determine who is elected. Does my hon. friend suggest that it would be impossible to bring before the courts or this House a petition to determine who is elected under such circumstances?

Mr. ELLIOTT: Absolutely. If my hon. friend had been following me he would have known that that was my argument exactly. If he presents to this House a petition to inquire into the conduct of that returning officer with a view to punishing him, or for such remedy as this House may see fit to apply, then according to the argument of my right hon. friend in 1913,—and I think it is sound—such inquiry could be made. But if he is presenting to this House a petition to inquire into the actions of a returning officer with a view to taking away a seat from one member and giving it to someone else, of course he is clearly without the jurisdiction.

Mr. CLARK: All I want my hon. friend to say is this. If these facts are true, that certain ballots cast in Mr. Collins' favour were extracted by the returning officer, fraudulently destroyed and others substituted therefor, is there any remedy open to him for the wrong done him, assuming that a large majority of ballots were honestly cast for him?

Mr. ELLIOTT: If he appeals to the right tribunal.

Mr. CLARK: What tribunal?

Mr. ELLIOTT: The tribunal that is now being appealed to—the courts.

Mr. CLARK: At last I have got a plain admission from my friend that there is a remedy, that Mr. Collins may petition and ask that the wrong done him should be righted.

Mr. ELLIOTT: He could petition the court.

Mr. CLARK: There is a remedy. Now, as the Minister of Labour has said, we must determine whether or not as the law stands such a petition should be submitted to this House or to the courts. I submit that parliament has placed that question beyond the jurisdiction of any court in the land, and I refer the House to the Revised Statutes of Canada, 1906, Chapter 6, Section 226:

> No person who has voted at an election shall, in any legal proceeding questioning the election or return, be required to state for whom he voted.

That section effectively withdrew from the jurisdiction of any court in the land the determining of such a question as is now before this House. In order to determine whether or not a returning officer has extracted ballots from the ballot-box which were bona fide cast for Mr. Collins and substituted others, we must call the witnesses who were summoned before the criminal court—we must call the electors who actually cast the ballots which were destroyed by the returning officer. There is no alternative, and under the statute the court in a civil proceeding has not power either to call or hear such witnesses.

Mr. ELLIOTT: That is not what it says. There is no power to compel.

Mr. CLARK: I was very much interested to hear my hon. friend the Minister of Labour in answer to my right hon. leader state emphatically that these witnesses have already come before the court and given evidence, and will do so again. Does my hon. friend applaud that?

Mr. MEIGHEN: Hear, hear.

Mr. CLARK: Yes, they went before the criminal court and were compelled to testify in order that the ends of justice might be met. But in a civil proceeding it is quite different; this parliament has put it beyond the power of a court to determine such a question.

Mr. POWER: Merely as a matter of information, would the hon. gentleman kindly read the section again so that we may see if there is any differentiation between a criminal court and a civil court?

Mr. CLARK: I shall probably have to read it two or three times in citing various cases, but I will oblige my hon. friend now:

> No person who has voted at an election shall, in any legal proceeding questioning the election or return, be required to state for whom he voted.

Mr. POWER: Does that cover the criminal law also?

Mr. CLARK: It does not cover criminal matters, and I will show my hon. friend why it does not. I refer to a case in the Supreme Court of Canada, known as the Haldimand Election case, which will be found in XV Canada Supreme Court Reports at page 515.

In the course of his judgment Mr. Justice Strong said:

Another case is charge No. 6 in the notice of appeal, namely, the charge that the deputy returning officer at polling sub-division No. 2 in the township of Oneida, improperly marked ballots received by him at the said election, from electors before depositing the said ballots in the ballot-box, and thereby prevented the said ballots from being counted at the said election, and the ruling of the learned judge, rejecting the evidence on behalf of the petitioner which was tendered by him at the trial in support of the said charge.

Nothing could be made of this charge without admitting the evidence of voters to show how they voted. This I hold cannot be done. To do so would, in my opinion, be a direct violation of the act which requires secrecy.

Section 7, of the Dominion Elections Act, enacts:

This is the section I just read.

"No person who has voted at an election shall, in any legal proceeding questioning the election or return be required to state for whom he voted."

It is no answer to this to say that secrecy is imposed for the benefit of the voter and that he can waive it, for I hold secrecy to be imposed as an absolute rule of public policy, and that it cannot be waived. The whole purview of the law is different from the English act and from the Ontario act. I am of opinion, therefore, that the learned judge rightly rejected the evidence though I may not be able to agree with the grounds he put it upon.

The Minister of Labour said that facts such as those appearing in this petition should undoubtedly be heard by some court, some judicial or supreme body; they should be ventilated, investigated and a decision rendered. Under this act there is only one body which can deal with such a question. The House of Commons of Canada has reserved to itself the right to determine such a matter It may seem strange that in the recent criminal trial, which took place in Alberta before Mr. Justice Walsh, evidence of voters stating for whom they voted was admitted. There is a very clear distinction between matters which come under the Controverted Elections Act, civil matters, and criminal matters. On that point I refer Your Honour to the case of Regina versus Saunders, 11 Manitoba reports, 1896, at page 563. Mr. Justice Dubuc held:

In the Haldimand election case, 15 S.C.R. 495, it was held that, under the provisions of section 71 of the act, secrecy of the ballot is an absolute rule of public policy, and it cannot be waived.

The court has to give effect to this statutory enactment; but the provision has a restrictive qualification which must not be overlooked. It says that no person shall be required to state for whom he voted in any legal proceeding questioning the election or return and not in any legal proceeding whatsoever. If this point had been raised in the trial of an election petition,—

And I ask you, Mr. Speaker, as well as my hon. friends opposite, to note particularly these words.

—it would have to be held that the evidence was absolutely inadmissible. But in this case the evidence was given in a trial on an indictment charging a criminal offence. When the witness Phillips was asked to state for which of the candidates he marked his ballot paper and voted, objection was raised to the question by the counsel for the defence on the ground that such evidence would be inconsistent with the secrecy of the ballot, and contrary to public policy. The learned Chief Justice, before whom the case was tried, allowed the question to be asked and answered, and it does not appear that the witness was unwilling to answer the question. There is nothing in the Dominion Elections Act, or in any other statute, declaring that, in the trial of a criminal offence, such a question cannot be asked and should not be answered.

I think, therefore, that the evidence was properly received, and that the first question submitted to the court should be answered in the affirmative.

Surely it is quite clear, Mr. Speaker, that there is no judicial body in existence in this country which can effectively inquire into the matters presented in this petition, nor is there any body other than parliament itself which can effectively give a remedy to the aggrieved party. That matter has clearly been placed beyond the jurisdiction of any court whatever, and there is only one body that can effectively deal with it.

Mr. POWER: Is that laid down in the petition?

Mr. CLARK: Is what laid down?

Mr. POWER: That there is no judicial body which can effectively deal with the situation?

Mr. CLARK: Certainly not. Matters of law are never alleged in petitions; my hon. friend knows that very well. The whole point involved in this petition is whether or not the returning officer extracted ballots bona fide cast for Collins and substituted others, thereby depriving Collins of his seat in this House. As the Minister of Labour said, there must surely be some body in existence which can give a remedy for such a state of affairs.

Under the authorities, Mr. Speaker, I submit that it is perfectly clear that only one body can apply the remedy in this case.

Mr. SPEAKER: That, I suppose, concludes the debate on the point of order. This question is far too important to be decided this evening, and I ask the House to bear with me for a few days until I have read over the debate and searched through all precedents and statutes cited this afternoon. By Thursday I hope to be in a position to give a ruling

Mr. MEIGHEN: I presume, Mr. Speaker, that in the event of the decision which I anticipate, that the petition be received, there will be no notice required for a motion to commit that petition to the committee. That is, it can be moved without notice?

Mr. SPEAKER: The hon. gentleman must not anticipate my decision.

Mr. MEIGHEN: I only say in that event we ask to give notice now, that we may not be required to wait longer.

Mr. SPEAKER: This will serve as a notice.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, May 3, the debate on the motion of Hon. J. A. Robb (Minister of Finance), that the Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J Manion.

Hon. ROBERT ROGERS (South Winnipeg): Mr. Speaker, as the representative of an important constituency in the great city of Winnipeg I deem it my duty to say something in this debate with regard to western conditions and western possibilities as well as conditions in general throughout Canada, in view of the fact that we are suffering in all parts of Canada to-day as a result of the lack of responsible government in our country. But what else have we a right to expect when we remember that no country in the civilized world has ever been known to approach anything like sound progressive administration under a compromise government? Who should know better than my right hon. friend opposite (Mr. Mackenzie King) that group government, compromise government, is nothing more than government from hand to mouth, nothing more than government that exists from day to day by way of "pull devil, pull baker?"

I would like to call my right hon. friend the Prime Minister as a living witness to the truth of this statement. During the recent campaign, from all the platforms of this country he made clear at all times that neither group government nor minority government was the kind of government wherewith to achieve great reforms. The Prime Minister went still further and said that neither group government nor minority government was the kind of government to meet Canada's needs to-day. I am sure, Mr. Speaker, that every hon. member of this House agrees with that statement made by my right hon. friend upon these various occasions. We must agree because of the very conditions that exist to-day under the direction of my right hon. friend opposite. He must know—and that he does know, it is shown by his own statement—that it is impossible for him in the situation in which he finds himself to-day to do anything calculated to advance the best interests of this country. I appeal to my right hon. friend. Canada, the country in which he lives, has been very kind to him in the past, but now he sits in office here as the clog on the wheel. Why will he not do something in return that will be for the advantage of this country, which has done so much for him?

This is no time, Mr. Speaker, to toy, to barter, to tinker as my right hon. friend is doing in respect of the government of this country. And what has been the effect upon the country? The effect has been to destroy confidence and security in this Dominion. All reasonable Canadians, in my humble judgment, should join in assisting to create that sound public opinion by which alone stability of government can be restored. Party government in the past may have had its difficulties, but we must never overlook the fact that party government has made this Dominion of Canada what it is to-day. In my judgment it is only under that form of government that confidence and security can be restored in this country. Under the administration of my right hon. friend loss of confidence and security has done more than anything else during the past eight or ten years to retard the progress of our Dominion. In proof of that statement I am going to give you just a few brief figures which, to my mind, make it abundantly clear that our country is going back, and going back rapidly, under the administration of my right hon. friend. These figures furnish, in my judgment, a very clear index as to conditions in all parts of Canada. I am going to show how much was collected in income tax when my right hon. friend came into power, and then compare that with the amount that is being collected to-day.

10 p.m.

In 1921-22, the year my right hon. friend came into power, 18,840 farmers paid in income tax $1,299,104.54. In 1924-1925 only 3,061 farmers in Canada were able to pay income tax to the amount of $162,944.74; in other words, 15,780 farmers who were able to pay income tax when my right hon. friend came into power are not able to pay a dollar of income tax to-day.

Mr. MACKENZIE KING: Were there not exemptions made between the two years my hon. friend is comparing?

Mr. ROGERS: I do not think there were any exemptions made for the farmers except what are now proposed.

Mr. MACKENZIE KING: There were exemptions made on account of children, which applied to farmers the same as to every one else.

Mr. ROGERS: It would not amount to much. The fact is that there are 15,780 fewer farmers paying income tax to-day than when my right hon. friend came into office.

Mr. DUNNING: Because the exemptions relating to children reached them.

Mr. ROGERS: Let me give a few more figures:

Income Tax Returns for fiscal years 1921-22 and 1924-25

	No.	Amount
Agrarians 1921-22.. ..	18,841	$1,299,104 54
Agrarians 1924-25.. ..	3,061	162,944 74
	15,780 Less	$1,136,159 80 Loss
Employees 1921-22.. ..	207,263	$17,123,446 91
Employees 1924-25.. ..	168,894	13,973,094 87
	38,369 Less	$3,150,352 04 Loss
Merchants 1921-22.. ..	23,716	$7,140,101 15
Merchants 1924-25.. ..	14,843	2,189,116 62
	8,873 Less	$4,950,984 53 Loss
Manufacturers 1921-22.	1,629	$2,472,485 40
Manufacturers 1924-25.	1,127	467,661 83
	502 Less	$2,004,823 57 Loss
Corporations 1921-22..	8,286	$38,863,757 79
Corporations 1924-25..	6,236	31,091,274 37
	2,050 Less	$7,772,483 42 Loss

Mr. RYCKMAN: Children do not enter into this matter?

Mr. ROGERS: They do not enter into the corporation tax. These are facts that tell the tale of the condition of our country to-day Not only in respect to the matter of income tax but in respect of everything else we are face to face to-day with domestic problems the like of which we have never before been called upon to meet in Canada, problems that insistently cry for attention and solution, and my right hon. friend is as helpless as a child to do anything to solve them. We have our great problem of taxation, and we have the great problem also of emigration—one of the most serious questions we have to face. We know that we have a stagnant population to-day and we know that this government have utterly failed in their attempt to do anything in the matter of emigration. People are leaving this country in greater numbers than they are coming in. The policy of the present administration is so feeble that it can only be compared with some individual undertaking to suppress a raging forest fire with a syringe.

Then again, Mr. Speaker, we have the great problems of how to handle our grain in order that the producer may get his best price in railway freight rates, and so forth. We have the problem of how to divert our grain so that we can carry it over Canadian rails to Canadian ports. Last but not least, we have the great problem of our inherent right to arrange our fiscal policy along sound lines of confidence and of security. Liberal governments or compromise governments have never yet been able to grapple with these great undertakings. My justification for this statement is to be found in the fact that the Liberal party are unable to show to-day that during the whole life of our Dominion they have one outstanding Dominion-wide measure to their credit. We had a practical illustration the other day of the evil of compromise government. Parliament hill was thronged with thousands of men and women, numbered among the best citizens of our country, who came here to plead with my right hon. friend and with the Minister of Finance for the right to live, to work, and to assist in the upbuilding of this young and promising nation of ours. They were denied that right.

For that reason, Sir, if for none other, I am delighted to join in this debate and to support the amendment of the hon. member for Fort William (Mr. Manion). I support it because it follows along sound lines of Conservative policy. The policy of the Conservative party is to keep the home fires burning in Canada. The policy of the Conservative party is to keep Canadian capital and Canadian man power working in Canada and not in the United States. The Conservative party believe that the sound development of our home market is one of Canada's greatest national assets; Conservatives do not believe in continental Europe being privileged to dump pauper labour products on our market to the detriment of our own Canadian labour. We do not believe in permitting our American neighbours to the south to dump their surplus misfits and surplus products on our market, to the detriment of the best interests of our Canadian labour. Ample protection of the industries of the United States has saved them from that dumping which has blasted Canada's prosperity under the administration of the country's affairs by the party opposite.

So far as the tariff is concerned, an explanation is due to this parliament from the Prime Minister and from the Minister of

Finance as to why the promises made in the budget speech of last year have not been kept. Why did the government not implement its undertaking then made to appoint a tariff commission? The Minister of Finance declared that it was necessary that expert evidence should be available to the government before tariff revision could take place. In that same speech the minister said he was desirous of securing a commission well qualified to advise not only on tariff but on kindred matters as well. Can it be possible, Mr. Speaker, that the commission appointed on April 7 last is intended to serve a double purpose? "Kindred matters" open a wide field of opportunity. The expression may be interpreted to mean a board that is directed to be very sympathetic with the manufacturers when they are making their X-ray examination, and to leave the impression upon the mind of the manufacturer that he was indebted in some personal or other manner to the kindness of the present administration. If the government had any such idea in mind when this board was selected I commend them upon their selection. The chairman, as we all know, is an old tried and trusted politician, recognized for a quarter of a century and more as the guardian of anything and everything that would tend to the benefit of the Liberal party. I am sure the hon. member for Brandon (Mr. Forke) is entirely satisfied with the appointment of Mr. McKenzie who, I am sure, he regards as eminently fitted to fill the position of first mate to the chairman of that board.

The Progressive party in the province of Manitoba opened up a wide field for financial operations in the elections of 1921 and 1925. I can quite understand that some explanation will be due from me in respect to this statement. In 1921 a new and novel departure in political finance took place under the Progressive party in the province from which we come, a departure that was marked by the incorporation of a "New National Policy Committee, Limited," a company incorporated under the laws of Manitoba for the purpose of receiving and disbursing money for political purposes. According to the Manitoba Gazette the directors were practically all employees of the Grain Growers' Grain Company. It was a company formed to collect and spend money without falling foul of section 10 of the Dominion Elections Act, which states:

> No unincorporated company or association and no incorporated company or association other than one incorporated for political purposes alone shall, directly or indirectly, contribute, loan, advance, pay, or promise or offer to pay any money or its equivalent to, or for, or in aid of, any candidate at an election, or to, or for or in aid of, any company incorporated for political purposes, or to, or for, or in furtherance of, any political purpose whatever, or for the indemnification or reimbursement of any person for moneys so used.

The press of Winnipeg were very much interested when this notice was given in respect of those companies being formed by the Progressive party. Lawyers were employed to find out the direct meaning of those companies and this is the opinion of one of the most eminent lawyers in that city with respect to section 10 of the Dominion Elections Act. Hon. members must remember that this section is a child of the Liberal party, brought in and incorporated in that act as far back as 1907:

> Section 10 of the Elections Act provides that the only company or association which can legally pay or promise to pay any money, or make any loan or advance, either to a candidate or to a political party is one incorporated for political purposes alone. It would, therefore, follow that under the act a company may be incorporated for political purposes alone and be quite within the law in making payment of money to any candidate or political party. The only persons who would be legally entitled to ascertain the source of these moneys would be the shareholders of the company.
>
> Supposing such a company were incorporated to advance the fortunes of some one political party, and that some organization either within or without Canada were anxious of advancing the cause of that party for their own financial or industrial profit, it would be quite possible by paying their contribution to a campaign fund through the incorporated company to conceal the origin of the moneys. The successful candidate of that political party in making return of election expenses would show the receipt of so much money from the incorporated company, but there is nothing in the Elections Act which would force the candidate or his agent to divulge to the Chief Electoral Officer where that money was collected from. The incorporated company would be acting within the letter of the law, and no one opposed to that party politically, and to that company, would have any right to insist on any disclosure of the origin of the campaign funds.

I may surprise the House when I state that even in the constituency of Nelson represented by my hon. friend the Rev. Mr. Bird, a company was incorporated under the laws of Manitoba called the National Progressive Political Association of Nelson Constituency, Limited, to collect, receive and disburse moneys for political purposes in that constituency. The names of the directors of that company so incorporated were:

> Mr. James S. Paten, farmer of Benito;
> Mr. Jethro Clarke, farmer of Swan River;
> Mr. Robert T. McVetty, agent of Swan River;
> Mr. William C. Hunt, farmer of Swan River;
> Mr. Thomas C. Silverthorn, farmer of Bowsman.

These were the directors in the constituency of Nelson. Let me return to the hon. member for Brandon, who also was a director of a company and evidently trafficked in campaign funds; for I find that in the election

contested by him in 1921 he was a director of a company incorporated under the laws of Manitoba called the Brandon Federal Progressive Association, Limited. The directors of this company were:

Mr. John Crawford, farmer of Brandon;
Mr. Robert Forke, farmer of Brandon;
Mr. George Gordon, farmer of Brandon;
Mr. Wellington Geddes Rathwell, farmer of Brandon;
Mr. Donald Gordon McKenzie, farmer of Brandon;
Mr. James Harris McKee, farmer of Brandon.

I want the House to know that this Mr. Donald Gordon McKenzie, farmer, of Brandon, by the kindness no doubt of my friend the hon. member for Brandon, occupies a place on the tariff board of this country. These are the names selected to manage political funds for the federal constituency represented by my hon. friend through a company that was formed, according to the notice of incorporation, for the purpose of collecting, receiving and disbursing moneys for political purposes. After the election of my hon. friend for the constituency of Brandon in 1921 this incorporated company was apparently bankrupt and had ceased operating. At all events it discontinued. However, previous to the election of 1925 the Brandon Federal Progressive Association was revived and restored to its legal position by order in council No. 43851 with Mr. Donald Gordon McKenzie again to the fore as one of the directors interested in the success of the hon. member (Mr. Forke) whose duty it was to collect, receive and disburse moneys for political purposes.

Mr. WARD: Is that not a much more honourable means of getting campaign funds than accepting contributions from large corporations in the big cities?

Mr. ROGERS: Wherein does my hon. friend find any difference between the two methods? Are not the contributions in the province of Manitoba derived from corporations? Mr. Donald Gordon McKenzie evidently won the warm approval of my hon. friend from Brandon. I refer to him because his name will be known to all Canada from now on as a member of the board appointed by the Prime Minister (Mr. Mackenzie King) a few days ago to consider tariff matters. Mr. McKenzie, I say, evidently won the warm applause and approval of the Progressive party for his work in connection with the collecting, receiving and disbursing of public moneys for political purposes in the constituency of Brandon, for he was promoted to a directorship on the United Farmers of Manitoba Political Executive Limited, with headquarters at Winnipeg. This association at Winnipeg was a sort of high muckamuck organization or, in other words, a sort of wholesale institution for the collecting, receiving and disbursing of moneys for political purposes in the province of Manitoba.

Mr. MANION: A sort of clearing house.

Mr. FORKE: Will the hon. member permit an explanation? The charter was renewed prior to the last election, the same names, I think, being included in it, but Mr. Donald Gordon McKenzie had nothing whatever to do with the election nor had he anything to do with the collection or distribution of funds. He was not connected at all with the election in Brandon.

Mr. ROGERS: I may tell my hon. friend that I have here the names of the directors, both for the city of Winnipeg and for Brandon.

Mr. BIRD: Will the hon. gentleman allow me a question? Can he tell the House what kind of organization supplied funds for my political opponent?

Mr. ROGERS: I do not know anything about my hon. friend's political opponent; I had nothing to do with the hon. gentleman's election.

Mr. BIRD: I may tell my hon. friend—

Some hon. MEMBERS: Order.

Mr. BIRD:—that he had the blessing of the right hon. gentleman.

Mr. ROGERS: Now Mr. Donald Gordon McKenzie served with my hon. friend from Brandon in 1921 in his election, and he served again in 1925. He was also made a director of the association at the city of Winnipeg. The directors of this province-wide organization were not the same in 1925 as in 1921. They are to-day: William Robertson Wood, Edward Ellsworth Bayne, Peter Wright, Mabel Elizabeth Finch, Donald Gordon McKenzie, Colin Hamlin Burnell.

Mr. FORKE: I must correct the hon. gentleman. That is not the corporation in Brandon; it is the organization for the province of Manitoba.

Mr. ROGERS: I am speaking of the provincial organization.

Mr. FORKE: There is nothing wrong in it.

Mr. ROGERS: I do not suppose it would be possible for you to do anything wrong. Those at any rate are the names, and that is the position which Mr. Donald Gordon McKenzie occupied in the work of the party represented by my hon. friend. I am not surprised, therefore, that Mr. Donald Gordon McKenzie should be the first one whom the

hon. gentleman would think of when he had an opportunity to make a recommendation for the position that gentleman now holds. No doubt he will be eminently fitted to fill that position with entire satisfaction to the member for Brandon and those who are anxious to collect, receive and disburse moneys for political purposes in that province.

Mr. BROWN: Is the hon. member attributing to the gentleman to whom he refers the same campaign tactics which he knows characterize his own workers?

Mr. ROGERS: I am just giving you the records as I have them. Let me say that I do not believe that the Liberal party, even with all its faults and sins, has ever organized—and I know absolutely that the Conservative party has never yet done so—a company to conceal contributions or anything else. This party does its business in the open. Now that my hon. friend (Mr. Brown) has seen fit to interrupt, perhaps I may give him some of the records in relation to his own constituency. I have them all here. As regards the Lisgar Progressive Association Limited, Incorporated, I find that the directors in 1925 were: A. S. Budd, druggist; Angus Currie, retired farmer; Harold McKay, student; John Cruise, farmer; Mathew John Shewfelt, farmer, all of the village of Pilot Mound. These were the directors whom my hon. friend from Lisgar had to carry out his work.

Now, I hope I have satisfied the House that whatever else may be said of Mr. Donald Gordon McKenzie's qualifications in respect to technical tariff matters, there would appear to be no doubt as to his qualification in the matter of political finance. It is very evident that the leader of the Progressive party and those associated with him from the province of Manitoba are not so simple minded, when it comes to receiving and disbursing campaign funds for political purposes, as they would like this House and the country to believe. If they had not found it good political business in 1921 to have all these companies organized and operating for the purpose of collecting, receiving and disbursing moneys for political purposes, why then in 1925 did they go to the great expense of reorganizing these companies with the object of again collecting, receiving and disbursing moneys for political purposes in the various constituencies of the province?

That is the record of the financial efforts of my hon. friends the Progressives from the province of Manitoba. I do not suppose that the Progressives in any other province of Canada are as far advanced in the iniquities of campaign funds as are the Progressives in that province.

Mr. BROWN: May I ask the hon. gentleman a question?

An hon. MEMBER: No.

An hon. MEMBER: Sit down.

Mr. BROWN: The hon. member has referred to section 10 of the Elections Act. Is section 10 of that act the same as section 10 of the Elections Act as it came from the Liberal party? I say it is not.

Mr. ROGERS: I have given you the opinions of lawyers and I am satisfied to rely upon them. Conditions in the western provinces, I may say, have been very much disturbed as the result of the actions of the Progressive party during these two elections, and, I deem it my duty to let this House and the country know the manner in which they have been carrying on their elections in the past.

Now they talk about the tariff and about the seriousness of the taxation placed upon the farmers of western Canada. I want to say to them: Give the farmers in Manitoba and in western Canada generally a market for that which they produce, and they will neither ask for nor accept remedies born of political fright such as we had introduced the other day by my right hon. friend the Prime Minister. The progress of the farmers of western Canada has been retarded by my friend from Brandon and by my friend the Minister of Railways (Mr. Dunning) in the matter of their getting what is coming to them in transportation costs. This is a serious matter to the farmers of the west, and it is an equally serious matter to the people of the east, because I want them to understand that they are just as much interested in the condition of western Canada as are those who live there. The people of eastern Canada must never overlook the fact that railways and their workers, manufacturers and their employees, banks and their staffs can only preserve their positions and their property so long as the farmers of western Canada are assured of a fair living wage for that which they produce. The greatest enemies that the farmers of the west have had to contend against in securing that fair living wage are my hon. friend from Brandon and my hon. friend from Regina. They are two of the greatest sinners in this House in retarding the progress of the farmers of western Canada.

Now, in 1900 the government of Manitoba of which I was a member felt that it owed a

duty to the farming community of that province. The people were demanding lower transportation costs, and we undertook to meet that demand. After much consideration we decided to acquire the Northern Pacific railway system, which had splendid terminals in the city of Winnipeg and about four hundred miles of railway very well located. The owners were willing to sell the property because at that time the railway was not in very good circumstances. I was honoured by my colleagues in being selected to go to St. Paul to discuss the purchase of the system in order that we might remedy the conditions complained of by the farmers of Manitoba. I succeeded in my mission and the contract is incorporated in the Dominion statutes. That contract was signed by myself on behalf of the government of Manitoba and by the president of the company on behalf of the Northern Pacific Railway on January 15, 1901.

Seven days later the president of the Canadian Pacific Railway came to Winnipeg by special train and offered the provincial government $7,000,000 for the contract. In this proposal, which I am sure the House will be interested to hear, he said:

> The company will lease for nine hundred and ninety-nine years from the government the Northern Pacific lines, including equipment and terminals, paying therefor an annual rental of $220,000 for the first ten years, $245,000 for the second ten years, and $300,000 thereafter.

Those were the exact amounts provided for in our contract with the Northern Pacific.

> The company will make the following specific reductions in its rates;—
>
> September 1st, 1901 grain and flour 1-1/2 cents per hundred pounds.
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> September 1st, 1902 grain and flour 1/2 cent per hundred pounds.
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> September 1st, 1905 grain and flour 1/2 cent per hundred pounds,
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> September 1st, 1906 grain and flour 1/2 cent per hundred pounds,
>
> thus making a reduction within that period of four cents per hundred pounds from all points within the province.
>
> The rate on salt will be reduced forthwith to fifteen cents per hundred pounds from Fort William to Winnipeg, and to all other points in proportion, according to existing tariffs.
>
> The rate on coal Fort William to Winnipeg will be reduced to $2.50, to Portage la Prairie $3 and to Brandon $3.35 per ton of 2,000 pounds.

At that time the Canadian Northern Railway Company had quite a mileage in Manitoba, and the owners offered to take over the Northern Pacific system and give us a reduction of four cents per hundred pounds on grain and of fifteen per cent on general merchandise from all points in Manitoba to Fort William and from Fort William to all points in Manitoba.

Mr. PARENT: May I ask my hon. friend if all the documents he is referring to have ever been made public?

Mr. ROGERS: They are in the Dominion statutes. Now then, we felt that competition was very desirable and we accepted that offer. We entered into a contract with the Canadian Northern Railway Company under which they agreed that for thirty years they would continue the reduced rates on wheat and general merchandise. The arrangement was that the first year they would reduce the rate on wheat by two cents per hundred pounds and the merchandise rate by fifteen per cent. The Canadian Pacific paid no attention to the altered conditions of affairs. The Canadian Northern extended their lines very rapidly and with the acquisition of the Northern Pacific system they were able to get into Brandon, Portage la Prairie and various other large shipping centres, with the result that when in the following year the further reduction of two cents per hundred pounds went into effect the Canadian Pacific Railway management came to us and said: Now, you are getting the rate a little too low; we want to come in, but we cannot afford to compete with such a low rate. They said to us, "If you will raise your rate on grain by one cent per hundred pounds we will reduce our rate by three cents per hundred pounds and extend that rate to the provinces of Saskatchewan and Alberta as well."

Mr. DUNNING: Those provinces were not then in existence.

Mr. ROGERS: The Northwest Territories were there; it is the same thing. Your neighbours and friends got the benefit of that rate which went into force on October 7, 1903. Let me say that that rate brought a return of over $200,000,000 to the farmers of Manitoba, Saskatchewan and Alberta during the period it was in force. That was something for the people of this country, and this is the rate which the hon. member for Brandon and the hon. member for Regina have done everything in their power to destroy. They have temporarily succeeded in their attempt, to the disadvantage of the farmers of western Canada. Not only was that done, but it was done in such a way as to show, in my opinion, not very good judgment on their part.

A committee on transportation costs was appointed by parliament in 1922, with which

I will deal a little later. When Manitoba made that contract we had all the power necessary; there was no power this parliament could give to our province which we did not already possess. But we were making contracts with railway corporations, the Northern Pacific Railway and the Canadian Northern Railway, which were operating under Dominion charters and which had to get from the parliament of Canada their power to enter into a contract. In view of that, the two companies and the provincial government joined in asking this parliament to give to the railway companies power to make the contract which it was proposed should be made. It was unnecessary for our government to ask for any further power; we did not require any assistance from this parliament, but joined in a request in the following manner:

That his honour the Lieutenant Governor be requested to forward officially a certified copy of the following act, passed by the Legislative Assembly of the province of Manitoba, on the twentieth day of March, one thousand, nine hundred and one, and intituled, "An act confirming a certain agreement respecting certain railways and respecting freight and passenger rates," to the honourable the Secretary of State for Canada, with the request on behalf of the government of Manitoba, that the government of Canada will introduce into the parliament of Canada at its present session, a similar measure and legislation confirming the identure in the said act referred to, and to enable and require the parties to carry out the same, in order that the true intent and meaning of the parties may be properly and fully accomplished.

That is the request we made to this parliament, to give the railway companies the necessary power. Parliament answered that petition by an act assented to on May 23, 1901, of which the preamble is indicated in the following:

His Majesty, represented by the executive government of the province of Manitoba, of the first part, and the Canadian Northern Railway Company, of the second part, have executed a certain indenture bearing date the eleventh day of February, nineteen hundred and one, and set forth in schedule B to this act; and whereas the parties to the said indenture of the eleventh day of February, nineteen hundred and one, have, by their petitions, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petitions: Therefore His Majesty by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Let the House observe closely that "His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada," enacted what followed. Now let me turn to the Dominion act of 1901, and I have here the legislation brought down. First there is the contract made with the Northern Pacific Railway, signed by your humble servant, and then the contract made with the Canadian Northern Railway; and under this act parliament went on to say:

1. Whereas by indenture of lease, dated the fifteenth day of January, nineteen hundred and one, and set forth in schedule A to this act, the lessors named in the said indenture did demise and lease to Her Majesty, represented therein by the executive government of the province of Manitoba, certain lines of railway therein mentioned, upon terms and conditions set forth in the said indenture; and whereas His Majesty, represented by the executive government of the province of Manitoba, of the first part, and the Canadian Northern Railway Company, of the second part, have executed a certain indenture bearing date the eleventh day of February, nineteen hundred and one, and set forth in schedule B to this act; and whereas the parties to the said indenture of the eleventh day of February, nineteen hundred and one, have, by their petitions, prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the said petitions: therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

1. The Northern Pacific and Manitoba Railway Company, the Winnipeg Transfer Railway Company (Limited), the Portage and Northwestern Railway Company and the Waskada and Northeastern Railway Company have, and shall be deemed to have had at the time of the execution of the said indenture of the fifteenth day of January, nineteen hundred and one, full power to demise and lease the lines of railway and other premises included in the said indenture on the terms therein contained; and the said indenture of lease and the assignment thereof by the said indenture of the eleventh day of February, nineteen hundred and one, are hereby confirmed.

They confirmed both contracts. The act went on to say:

2. The Canadian Northern Railway Company has, and shall be deemed to have had at the time of the execution of the said indenture of the eleventh day of February, nineteen hundred and one, full power—

(a) to accept the assignment of the said lease;

(b) to make the covenants and agreements in the said indenture contained—

(i) relating to the said lease and to the payments thereunder and to the terms thereof;

(ii) relating to the bonds mentioned in clauses 5 and 6 of the said indenture;

(iii) relating to the rates to be charged or demanded by the said company for the carriage of freight and passengers;

(iv) relating to the payments to be paid by the said company notwithstanding exemption from taxation;

(c) and to make the grant contained in clause 20 of the said indenture.

3. Nothing in this act or in the indentures contained in the schedules hereto, or done in pursuance of this act or of the said indentures, shall—

(a) divest or limit, temporarily or otherwise, the rights or powers (under existing or future legislation of the parliament of Canada) of the Governor in Council, or of the railway committee of the Privy Council, or of any commission or other authority, respecting any matter or thing, obligation or duty;

(b) place the government of Canada, directly or indirectly, under any liability, obligation or duty with respect to any bonds, debentures, stocks or securities of any kind, or any interest thereon or any payment, matter or thing in the said indentures provided for or referred to, or in any way arising therefrom;

(c) authorize the Canadian Northern Railway Company, contrary to the meaning of the Railway Act, to charge or demanded any discriminating rate for the

carriage of freight or passengers, or to allow or make any secret or special tolls, rebate, drawbacks or concession, or any higher rates for the carriage of freight or passengers than those heretofore or hereafter fixed, under the authority of existing or future legislation of the parliament of Canada, by the Governor in Council, or by the railway committee of the Privy Council, or by any commission or other authority.

You will note by that last clause that we were prohibited only in the matter of raising rates in Manitoba. The question came up at that time that it might be possible under that contract for Manitoba to raise the rates on that portion of the line running from the boundary of Manitoba to Fort William, a distance of something over 290 miles. This is what Mr. Blair anticipated at that time might be a danger in making that contract. He said:

I do not hesitate to say that I feared, and I fear at this moment, that there may be such a reduction of rates forced by the action of the Manitoba government upon the Canadian Northern Railway as to lead the Canadian Northern, even with the approval, if it were necessary, of the government of Manitoba, to impose higher rates on traffic on portions of their line outside of the province of Manitoba, so as thereby to reduce the loss which will result from operations within that province.

They thought we were going to make a loss on that contract, and that we would raise the rate in Ontario to help make up our deficits. That is the reason why the clause which I have just read was placed in the contract, in order that we should not charge any higher rates. My hon. friend from Labelle (Mr. Bourassa)—I saw him in the chamber a few minutes ago—was in the House at that time, and he made a similar reference, as follows:

I understand that the Attorney General of Manitoba indicated that there could be no discriminating rate fixed by the government of Manitoba, because it would be favourable to the whole people of Manitoba; but the point that I have been making does not refer to the case of discrimination between classes of shippers, but to the case of discrimination between one province and another. In such a case the Manitoba government would fix a rate lower for the people of Manitoba and higher for the people of Ontario and the Northwest Territories—

In view of these statements the clause I have just read was incorporated in that legislation. The hon. member for Labelle later moved the following amendment—he was still anxious to raise the rates in Ontario:

—in favour of or against either (1) any individual or corporation, or (2) the people or shippers of or from any particular place, section, district or province.

This was answered by Sir Wilfrid Laurier, as follows:

I would say to my hon. friend from Labelle that if this bill were before the railway commission I do not think I would have any serious objection to his amendment; in fact, I would have none at all, because in my judgment it adds nothing to or detracts nothing from the sense of the clause we have before us. The clause now reads as follows:

"Nothing in this act or in this indenture contained in the schedule hereto, or done in pursuance of this act or of the said indentures shall.....authorize the Canadian Northern Railway Company to charge or demand any higher rates—"

Mr. Blair followed and said:

I desire to say only one word. The hon. member for Labelle has attributed to me statements and purposes which I did not make or entertain when this bill was under consideration before the railway committee. I did not suggest the inclusion of that section in this bill in any way, shape or form; it did not emanate from me. The gentlemen who were promoting this bill introduced a special clause for the purpose of affording some assurance to, I presume, some persons on the committee who had doubts as to whether the action of parliament in passing this bill would in some degree impair its power and authority in the premises, that it would have no such effect.

All that I suggested in the committee was that inasmuch as the object of the amendment which had emanated from the promoters of the bill, and by which it was proposed to say that nothing in the act should interfere with the power of the railway committee in respect to rates; that is to say, that the rates could not be made any higher than the rates fixed by the Governor in Council under the Railway Act, and that inasmuch as the clause only referred to the question of the raising of rates, I thought it would be reasonable to also add a clause having reference to discrimination, or to the making of secret rebates or other arrangements which are clearly declared against by the provisions of the Railway Act.

Mr. Sifton, then Minister of the Interior, dealt with the matter in the following language:

As I understand the argument which is advanced by the hon. member for Labelle, it is to the effect that the saving clause in section 3 of the act which provides that the power of the parliament of Canada and the Dominion government shall remain unimpaired in regard to this bill, takes away the power of the local authority to reduce rates.

Mr. Bourassa: I did not say that this clause took away from the Manitoba government the power to reduce rates.

Sir Clifford Sifton: My hon. friend (Mr. Bourassa) has made the argument, that because of the supposed change in the contract, Manitoba has been beaten out of the control of rates for which she bargained. That was his argument, and if that was not his argument, it was not anything. There is nothing in it; it is wholly and entirely foundationless.

Mr. Blair later went on to say:

If a company agrees—I do not care if they only agree with a city; I do not care if they only agree with individuals—if they agree with an individual to make the rate so much, and it becomes a matter of public knowledge that these rates are lower than should obtain, then the commission will be justified in saying: You are bound by these rates, because you have yourselves declared that you will be prepared to carry traffic at these rates, and you cannot complain if we fix them.

Now I want to deal with the security held by the province of Manitoba in respect to this contract. First of all let me point out that when the province of Manitoba made

that contract they secured from the railway corporation a mortgage as complete as any mortgage could possibly be made as security for the contract into which we then entered. I should like to quote to the House a clause of the Manitoba statute which was confirmed by the parliament of Canada in respect to this matter. Section 6 of the Manitoba Act provides:

In case the Canadian Northern Railway Company, its successors and assigns, makes default in abiding by or carrying out any of the terms of the said indenture set out in the schedule to this act, or any of the terms of the said indenture of lease, or of the mortgage referred to in clause five of said indenture, the Court of King's Bench for Manitoba shall have and is hereby vested with full power and jurisdiction, at the instance of the Attorney General of the province on behalf of the government, to decree specific performance and observance of the said terms and every of them and to enforce said decree.

That clause in the act passed by Manitoba was confirmed by the parliament of Canada. Now let me quote from the act passed by the parliament of Canada with respect to the provisions of the mortgage to which I have just referred. I would like the House to take note of this particular clause in the Dominion Act which provides:

That wherever in this indenture the government or the company is mentioned or referred to, such mention or reference shall extend to, include and be binding upon the successors and assigns of the government or the company as the case may be.

Here is a clause that binds the successors of the Canadian Northern railway; it makes clear that the National railways, to the extent that the company is named, are responsible for the fulfilment of that mortgage. That clause is still in force and effect.

Now further on in this act it is made clear that:

In consideration of the guarantee of the said bonds and the assignment of said lease and option, the company hereby agrees that up to the 30th day of June, A.D. 1930, the Lieutenant Governor in Council shall from time to time fix the rates to be charged or demanded by the company for the carriage of all freight from all points on the company's lines in Manitoba to Port Arthur, and from Port Arthur to all points on the company's lines in Manitoba, and from all points on the company's lines in Manitoba to all other points on said lines in Manitoba. Provided always that before any rates are so fixed, the company shall be heard and their interests taken into consideration.

Clause 9 reads:

The company hereby consents to the passing of such legislation by the legislature of Manitoba as may be necessary to confer upon the Court of King's Bench for Manitoba full jurisdiction at the instance of the Attorney General of the province on behalf of the government, to decree specific performance and observance by the company of each and every of the terms of this agreement and of the said lease and option, and the company hereby consents to and submits to the jurisdiction of the said court in that behalf.

[Mr. Rogers.]

That clause is full and complete. I hold in my hand a copy of the mortgage as held by the province of Manitoba. It was made on the 30th September, 1901, signed by the Canadian Northern Railway Company, the Canadian National Trust Company, and the Manitoba government. The names which appear on this mortgage are:

Frederick Nicholls, President; J. M. Smith, Secretary; R. P. Roblin, Railway Commissioner; National Trust Company, Limited; E. R. Wood, Vice-President, and W. T. White, Manager.

I will read the clauses that are of interest to this House and to the country. First, clause 22:

The terms of the several mortgages and the agreement below mentioned are hereby made subject to the terms of this mortgage and of said indenture of 11th February, 1901, with respect to the rights and positions of the government and the company as between each other, and wherever inconsistent the terms of this mortgage and of said indenture shall as between the government and the company prevail; but wherever not inconsistent the terms of said mortgages and agreement and the rights and positions of the government and the company thereunder shall continue in force.

Paragraph (g) of clause 21 reads as follows:

The government shall be entitled to take proceedings by way of injunction to prevent the infringement of any of the terms or provisions of this mortgage and in the event of the company failing to fully and completely perform all such terms and provisions, the government shall be entitled to enforce such performance.

Then we have another important provision, clause 28 of the mortgage, which reads:

In consideration of the guarantee of the said bonds and the assignment of said lease and option the company hereby agrees that up to the thirtieth day of June, A.D. 1930, the Lieutenant Governor in Council shall from time to time fix the rates to be charged or demanded by the company for the carriage of all freight from all points on the company's lines in Manitoba to Port Arthur and from Port Arthur to all points on the company's lines in Manitoba, and from all points on the company's lines in Manitoba to all other points on said lines in Manitoba. Provided always that before any rates are so fixed the company shall be heard and their interests taken into consideration. The company agrees that it will not at any time after the said rates have been so fixed charge or demand for the carriage of freight between the points aforesaid greater rates than those so fixed by the Lieutenant Governor in Council. And the said company covenants to carry the freight at rates not higher than those so fixed and not to dispute the rates when so fixed, and it is agreed that no appeal or application for leave to appeal shall be made or permitted from any decision of the Court of King's Bench for Manitoba upon any question howsoever arising in any action or proceeding brought by the Attorney General of the province on behalf of the government for the performance, observance or enforcement of the company's covenants in this paragraph contained either to the King in Council or to the Supreme Court of Canada or to any other court outside of Manitoba and that any application for leave to appeal or any proceeding in appeal contrary to the provisions of this clause shal be deemed to be made or taken against good faith.

That is why we have had trouble in connection with this contract: the present government of Manitoba took the course they did against the good faith of the security they hold in their own treasury to provide for the fulfilment of this contract. Every time the lawyers representing the government of Manitoba came down here to argue the question of Manitoba's contract, they were coming here in bad faith, having regard to the contract and to the mortgage held by Manitoba, under which it can decree specific performance any time. Why the Norris government or the government of the Progressive party of the province did not present Manitoba's case as it should have been presented under the contract as made is a matter for them to answer, and not for me.

I wish to point out that when the Railway Act was going through this parliament the Attorney General of our province came down to see to it that nothing should be provided in that act that would be detrimental or injurious to the fulfilment of our contract. A special clause was therefore introduced as follows:

> Unless otherwise expressly provided in this act, where the provisions of this act and of any special act, passed by the parliament of Canada relate to the same subject matter, the provisions of the special act shall be taken to over-ride the provisions of this act in so far as is necessary to give effect to such special act.

In determining the meaning of this paragraph the first question is, what is meant by the words "special act"? The expression is among those defined in the interpretation section 2 (w), and the definition is as follows:

> (2) (w) The expression "special act" means any act under which the company has authority to construct or operate a railway, or which is enacted with special reference to such railway, and includes all such acts.

The next chapter in our difficulty was when the appointment was made in 1922, under the government of the right hon. member who leads the present administration, of a committee on transportation costs, and it was the set purpose of Liberals, both here and in the western provinces, to try to find some form by which and through which they could discredit or destroy Manitoba's railway contract. That commission was appointed, and I remember that my hon. friend from Fort William (Mr. Manion) was on it. I am sure it would be difficult for him or anybody else to understand the exact conditions without knowing something about the contract arrangement. When that committee first assembled Mr. Hudson, Mr. Crerar, and Mr. Forke, the present member for Brandon, were members of it, and it will be sufficient for me to say at the moment that they did everything in their power to destroy the contract before that committee. They were asked by their fellow members of the committee to have the contract incorporated as part of their proceedings, but they failed to appear. They brought down schedules of rates covering the railways of western Canada for years previously and during that period of time they entirely overlooked Manitoba's rates and gave the Crowsnest pass rate credit, if you please, for reductions made by the Manitoba government under their contract.

The hon. member for Regina was the leading sinner in this task of trying to destroy our railway rates for the benefit of the corporations and to the detriment of the people even of his own province. The rates given to Saskatchewan, or to the Northwest Territories as it was at that time, brought his province a large return. Before this committee was appointed the Minister of Railways, speaking at Regina—and I have a copy of his speech in my hand—made the following statement, speaking of the Crowsnest pass agreement:

> An examination of the freight rates on grain particularly will reveal that fact—that while the agreement covered main line and branches as they existed in 1897 it did set the basis for the whole of the west with respect to the commodities covered by the agreement.

My hon. friend was Minister of Railways in Saskatchewan when he made that speech and he ought to have known something about rates, but evidently he did not, because the Manitoba rate contract was in force from October 7, 1903 until 1918. Not one pound of freight of any kind or description was carried during that time over any line in the prairie provinces save and excepting under rates different from Crowsnest pass rates. For twenty-five years or more they were carried under rates fixed by the Manitoba government, and the province which my hon. friend represented so long secured great advantages as a result of those rates.

Mr. MANION: Were they lower rates?

Mr. ROGERS: Lower by two cents a hundred pounds at every station in Saskatchewan and Alberta. Therefore Manitoba has just cause to complain of unfair treatment such as this in respect of her rate contract. The day is not far distant when Manitoba will find relief, because within the next few months we are going to have a new government in that province with Mr. Fawcett Taylor as Premier and leader of the Conservative party. When that day comes we

shall see to it that the amount of Manitoba's mortgage, covering all Canadian Northern lines between Fort William and the western boundary of our province, and now forming part of the National railway system, is collected, and the Minister of Railways will be forced to provide a sum far beyond $100,000,000 to liquidate liabilities under that mortgage. I want him to understand that, because Manitoba will expect him to be ready to liquidate that mortgage when they follow out the procedure set out in the agreement and mortgage.

Mr. DUNNING: $100,000,000?

Mr. ROGERS: It will take a good deal more than that and we will collect every cent of it, because it is coming to us. Let my hon. friend not make any mistake about that. Some people say we have no power to fix our rates lower than the maximum rates fixed by the railway commission or by the government. From the day we made our contract in 1901 down to the present day the railway companies have every day and every hour followed our rate contract in its form, and they are to-day as it suits them from time to time, making rates lower than the maximum rate. The Progressive party, for example, get a half rate for all the delegates they bring in, and for their wives and families, when they hold their conventions at Winnipeg. I have before me an advertisement which the railways published only yesterday offering rates below the maximum rate. Our contract was based upon the same arrangement, and it stands good to-day. The only honourable mention of Manitoba's rate came when the report of that committee was presented to the House and the Hon. Mr. Maclean, now Judge Maclean, who was then chairman of that committee, brought out the point that the rates applied in Manitoba had its effect upon freight rates upon grain throughout the whole of the prairie country and the rates in effect during all the period of time I have cited, were rates resulting from the Manitoba contract.

I wish to bring out this other point. The liability of the province of Manitoba in respect of its guarantee is in no way altered or changed by the ownership of the common stock of the company. The company retains its corporate identity, it can be sued in the courts and it has all the responsibilities of a private company. Manitoba has a mortgage which is as binding as any mortgage that ever existed. The parliament of Great Britain for centuries has been the guardian of sacred contracts and their covenants. The parliament of Canada during its existence at all times and under all conditions preserved and maintained sacred contracts and their covenants, save and until a compromise government led by my right hon. friend the Prime Minister undertook in 1922 to attempt Prussian methods against that contract, a contract which, I repeat, neither his government nor the railway commission had any more right to interfere with than the Civil Service Commission at Ottawa. If the government of my right hon. friend the Prime Minister had any such power, then it would have to be understood that in future no contracts entered into in good faith by two contracting parties who give each other mutual considerations shall have any force or effect.

This contract was first interfered with in 1919 under subsection 5 of section 325. Sir Robert Borden, knowing as he did the force and effect of this contract—because he was in parliament when the contract was made in 1901—made this statement when introducing that clause. I want the Minister of Railways (Mr. Dunning) to listen carefully to this:

> We thought it desirable that that clause should continue in operation only for three years and that in the meantime the question of compensation to the province, or city or municipality ought to be taken into consideration.

That is the question which my hon. friend will have to take into consideration. He will have to consider in the very near future providing some part of the $100,000,000 to compensate the province of Manitoba in this matter.

Mr. DUNNING: Why did not Sir Robert's government deal with it in that manner?

Mr. ROGERS: They dealt with it for three years but there was a change of government. Now, Mr. Speaker, I should like very much to continue, for there is a good deal that I want to discuss, but as the hour is late I shall not detain the House much longer. I was anxious to explain to the hon. member for Saskatoon (Mr. Young) how little he knew about railway freight rates when he attempted to discuss them. However, I will reserve that pleasure for a later day when I shall endeavour to enlighten the hon. member on the subject and if possible to enlarge his knowledge of freight rates. I will point out to him that any rate in respect to which Saskatoon has derived any benefit was the Manitoba rate and not the Crowsnest or any other.

I regret that I have had to consider as hurriedly as I have done the various points I have touched upon, but inasmuch as I was anxious to get through I have had to omit a good deal of what I intended to say. At some later day I shall deal more fully with certain

questions for the information of the Minister of Railways who, I hope, will consider providing something of that $100,000,000, pending the return to power of the Conservative government in Manitoba.

On motion of Mr. McIntosh the debate was adjourned.

INTERIM SUPPLY BILL

Hon. J. A. ROBB (Minister of Finance): Before we adjourn, Mr. Speaker, I should like with the unanimous consent of the House to move that we go into committee of Supply to put through an interim supply bill.

Sir HENRY DRAYTON: I have no objection if it is clearly understood that the position will be as it was before. It might be contended, of course, that if we once moved into committee of Ways and Means the present debate would end. If it is fully understood that such will not be the effect of the present motion, or that the fact of the House going into committee at this stage will not be made use of as an argument for interference with the budget debate, I offer no objection.

Mr. ROBB: That is understood. The Senate is now in session and I am anxious to have the bill put through.

Sir HENRY DRAYTON: Will one-twelfth of the amount be provided to meet the request made by my hon. friend (Mr. Rogers)?

Mr. DUNNING: The item is not in the estimates.

Mr. ROBB: I want this interim supply put through for the public service before the hon. member for South Winnipeg (Mr. Rogers) grabs it all.

Motion agreed to and the House went into committee, Mr. Duff in the chair.

Mr. ROBB moved:

Resolved, that a sum not exceeding $15,934,291.06 being one-twelfth of the amount of each of the several items to be voted as set forth in the Main Estimates for the fiscal year ending March 31, 1927, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account for the fiscal year ending March 31, 1927.

Sir HENRY DRAYTON: It is understood, again, that the resolution is agreed to on the terms already stipulated: nothing is consented to, no rights are waived and the present procedure may not be used for the purpose of authorizing any new expenditures.

Mr. ROBB: Quite so.

Resolution reported, read the second time and concurred in.

Mr. Robb moved that the House go into committee of Ways and Means.

Sir HENRY DRAYTON: The motion is subject to precisely the same conditions.

Mr. ROBB: Yes.

Sir HENRY DRAYTON: It is only for the purpose of putting through interim supply and does not affect the debate on the budget?

Mr. ROBB: That is the understanding.

Motion agreed to and the House went into committee, Mr. Duff in the chair.

Mr. ROBB moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1927, the sum of $15,934,291.06 be granted out of the consolidated revenue fund of Canada.

Sir HENRY DRAYTON: On the same terms?

Mr. ROBB: Yes.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 96, for granting to His Majesty a certain sum of money for the public service for the financial year ending March 31, 1927.

Sir HENRY DRAYTON: This motion is agreed to on the terms and conditions already indicated?

Mr. ROBB: Yes.

Motion agreed to, bill read the first and second time, considered in committee, read the third time and passed.

On motion of Mr. Robb, the House adjourned at 11.35 p.m.

Wednesday, May 5, 1926

The House met at three o'clock.

JAMES McCUTCHEON COLEMAN PATENTS

Mr. C. G. POWER (Quebec South): I beg to move:

That the petition of James McCutcheon Coleman presented this day, praying for an act respecting certain patents of the said James McCutcheon Coleman, and the report of the Clerk of Petitions thereon be referred to the select standing committee on Standing Orders pursuant to the provisions of rule 88.

Motion agreed to.

REPORTS PRESENTED

Report of the Department of National Defence (French) for the fiscal year ended March 31, 1925 (Militia and Air Service).—Hon. Mr. Macdonald.

Report of the Department of National Defence (French) for the fiscal year ended March 31, 1925 (Naval Service).—Hon. Mr. Macdonald.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—PROPERTY AND FREIGHT

Mr. PRICE:

1. What amount of money has been spent by the government or the Canadian National Railways on the docks, buildings, tracks, or property appertaining thereto at Portland, Maine, since the acquisition of the Grand Trunk railway property, to make it a more suitable port for export and import traffic?
2. How many tons of freight were imported and exported through this port for movement by the Canadian National Railways for the years 1924-25?
3. What amount of tonnage, both export and import, was handled by the Canadian National Railways through the port of St. John in the same years?

Hon. Mr. DUNNING:

1. $15,344.24.

2 and 3. The management does not consider it to be in the public interest to give this information, which would be useful to competitors of the railway, and detrimental to its business.

SUPERANNUATION ACT

Mr. McCLENAGHAN:

1. Has the government been petitioned by the wives and widows of contributors to superannuation funds Nos. 1 and 2, for relief?
2. Does the government propose by amendment to the Superannuation Act to grant relief, and, if so, in what particulars?

Hon. Mr. ROBB:

1. Yes.

2. The recommendations are being considered.

HOUSE OF COMMONS—CLEANING STAFF

Mr. HEAPS:

1. What number of men on the cleaning staff of the House of Commons have been reduced from $3.65 per day to $3.50?
2. What number have been increased from $3 per day to $3.50?
3. What is the length of service of the men who received an increase in pay?
4. What is the length of service of the men whose wages were reduced?

[Mr. Power.]

Mr. SPEAKER:

1. 30.
2. 7.
3. From January 7, 1926.
4. Answered by No. 3.

SHOT GUN FACTORY

Mr. KAISER:

Having regard to items 453f and 502d of tariff changes in budget announcements of April 15, 1926, would the government state how many shot gun factories are located in Canada, stating the name and address of each company?

Hon. Mr. ROBB:

So far as is known—none.

UNOPPOSED MOTIONS FOR PAPERS

CENTRAL VERMONT RAILWAY

Mr. CAHAN:

For a copy of the annual report, for the year ending December 31st, 1925, of the Central Vermont Railway, whose capital stock is largely owned by the Canadian National Railways.

SOLDIER SETTLEMENT BOARD

Mr. BROWN:

For a copy of all correspondence between the Soldier Settlement Board and any of its officials or employees, with reference to land purchased by the board through the firm of Kennedy and Kennedy, and for all orders and instructions issued by the board with reference to any further transactions with that firm.

CIVIL SERVICE COMMISSION

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Winipeg North Centre): I should like to ask whether in the reorganization of the Civil Service Commission the government proposes to carry out declared Liberal principles and appoint at least one member from the body of civil servants.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think I can assure my hon. friend that the government will act on Liberal principles in its appointments but the question of who will be appointed has not yet been determined. The matter is under consideration.

AUTOMOBILE DUTIES

On the Orders of the Day:

Sir GEORGE PERLEY (Argenteuil): Last week when the Prime Minister was telling us from whom the government had sought expert advice before deciding on the reduction of duties on automobiles I asked whether the papers and documents connected with such consultation and advice would be brought down. The Prime Minister as re-

ported on page 2917 of Hansard, in replying to this question, stated that he would leave to the Minister of Finance the decision on that point. I would like to ask the Minister of Finance whether he would bring down these papers and lay them on the table of the House.

Hon. J. A. ROBB (Minister of Finance): No person knows better than my hon. friend, who himself once held a position as a responsible minister, that from time to time the government receives information which it must necessarily consider confidential. It is right, I think, that this should be so because it is not fair to reveal all that we have. There would be no objection to bringing down any information that is not of a confidential nature. The question raised by my hon. friend is a fair one and opens out a rather wide field. If I may be permitted I would observe that during the debate I have been accused of making certain changes because of sentiment in the country. May I remind my right hon. friend (Mr. Meighen) and the House that the sentiment has not been confined to one side. Last year there was a debate in this House and a vote on the question of automobile duties, and I see from Hansard—

Mr. MEIGHEN: Is the budget debate on?

Mr. ROBB: No, but I am answering the question that has been asked.

Mr. MEIGHEN: What the minister says has no relation to the question.

Mr. ROBB: I am within the ruling of the Chair. I observe, I say, that six members supporting my right hon. friend, voted for a reduction in these duties. Among the six was one gentleman who is now premier of his province, New Brunswick. The others were the hon. member for Kent, N.B. (Mr. Doucet), the hon. member for York, the hon. member for South Oxford (Mr. Sutherland), the hon. member for Kingston (Mr. Ross) and the hon. member for Royal (Mr. Jones).

Mr. MACLEAN (York): Which York is the minister referring to?

Mr. MEIGHEN: Is the minister in order in making his budget speech on this occasion? The question asked was whether the government would lay on the table the expert opinions and data with which it said it was armed.

Mr. ROBB: I was proceeding to say that I should have no objection to laying upon the table such information as might properly be brought down. I notice, too, that the chief whip of the Conservative party (Mr. Boys), who is not in his seat at the moment, speaking at Barrie, is reported:

> Protected manufacturers do not raise prices to correspond with foreign-made goods which pay duty. He quoted wholesale prices of auto tires in Canada and the United States, showing certain tires to be somewhat cheaper in Canada. . . . He believed the tariff had been abused by motor car manufacturers and declared himself in favour of lowering the duty on autos.

I am willing to put this information on the table.

Mr. ROSS (Kingston): Did my vote last year influence the minister? If it did, I was going to say that it was his speech at that time that caused me to change my opinion.

Mr. MEIGHEN: We are to take it from the government, I assume, that the Minister of Finance has now given us all the expert data that he had.

Mr. ROBB: I made it clear that there would be no objection to bringing down such information as was not confidential, but certain information given to the government from time to time must be regarded as confidential.

Mr. MEIGHEN: Are we to take it that everything that is not confidential is down?

Mr. A. J. DOUCET (Kent, N.B.): I would ask the Minister of Finance (Mr. Robb), inasmuch as he has made a second budget speech in which he mentions my name,—

Some hon. MEMBERS: Order.

Mr. DOUCET: —whether at the time the discussion to which he refers took place last year, a tariff board had been appointed?

Some hon. MEMBERS: Order.

FOREST AIR PATROL

On the Orders of the Day:

Mr. G. G. COOTE (Macleod): I desire to call the attention of the Minister of the Interior (Mr. Stewart, Edmonton), to the fact that I have received from High River, Alberta, numerous telegrams asking whether the aerial force patrol of Bow River and Crowsnest forest reserves is to be discontinued. Can the minister give some assurance that this service will be carried on this year?

Hon. CHARLES STEWART (Minister of the Interior): Yes. Perhaps it was unfortunate that any intimation should have been given that the service was to be withdrawn. Arrangements will be made for this service at High River and, in order to satisfy other gentlemen who may be perturbed, at Le Pas. In fact, wherever any service was carried on it will be continued this year.

OCEAN RATES FOR CATTLE

On the Orders of the Day:

Mr. H. A. MULLINS (Marquette): May I ask the Minister of Railways (Mr. Dunning) whether any action is being taken by the government to secure a reduction of ocean freight rates with a view to helping the cattle feeders of Canada to get to the markets of the world.

Hon. CHARLES A. DUNNING (Minister of Railways): The question my hon. friend asks can more properly be answered another time.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, May 4, the debate on the motion of Hon. J. A. Robb (Minister of Finance) that the Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Hon. R. J. Manion.

Mr. C. R. McINTOSH (North Battleford): Mr. Speaker, last night during the course of his speech on the budget, the hon. member for South Winnipeg (Mr. Rogers) declared that in the election campaign which culminated on October 29 last, the Prime Minister of Canada (Mr. Mackenzie King) and other members of the government went through the Dominion and opposed the system of group government, and he added that after the election was over and the matter had to be settled in parliament, the ministerial party of the day took advantage of group co-operation in order to retain power. May I ask, Mr. Speaker, whether the time has come in Canada when the leader of a government or the member of a cabinet or the member of any political party may not on the hustings take a stand in support of such public opinion as he may see fit to advocate? Surely the Prime Minister was quite right in the stand he took. He felt that in doing so he was acting in the interests of the Dominion. Prior to the election he endeavoured to mould public opinion in the manner he considered conducive to the welfare of Canada, and after the people had given their verdict on October 29 he simply implemented the will of the electorate as they had expressed it. I claim, Mr. Speaker, that the course which the Prime Minister and the government have taken is in accordance with the principles of democratic government.

The hon. member for South Winnipeg said that the income tax returns for 1924-25 showed a decrease from those of 1921-22, thereby arguing that under the present Liberal administration the credit of Canada was going to pieces. He evidently took the view that the prosperity of the Dominion was at stake. In considering an argument of that sort we must bear in mind that if the income taxpayers of Canada cannot pay their tax one year they will certainly pay in another.

Now the most important characteristic of any people is the ability to carry on, and this Dominion must go ahead in spite of odds. In 1924 by reason of the crop failure in western Canada trade conditions from coast to coast were not what they should have been. Consequently the income tax that was not paid that year would be paid in a subsequent year, and therefore the argument falls to the ground.

At the outset of his address following the presentation of the budget by the Minister of Finance, the hon. member for South Wellington (Mr. Guthrie) said:

> We realize quite as fully as does the government that this country has within the past season been blessed by Providence much more abundantly than in former years; yes, most marvellously blessed have we been in the abundance of crop which this country has yielded. I believe I am within the mark when I say that Providence has blessed Canada during the past season with a wheat yield in the western provinces unsurpassed both in quality and quantity, a yield which is to-day commanding a good price in the markets of the world and this fact constitutes the most important feature of our commercial success.

The hon. member in his subsequent remarks attributed to Providence an even greater share of credit for the splendid crop in western Canada. Well, Mr. Speaker, I do not think that is altogether the correct position to take. I believe in depending upon Providence—

Mr. SPEAKER: Order. In justice to the hon. gentleman who has the floor, I must ask hon. members on both sides of the House to preserve silence.

Mr. McINTOSH: I believe it is well, Mr. Speaker, to express our thankfulness to Providence for the bountiful harvest, but to give Providence the entire credit for it is, I think, a new kind of theology. I have always understood that Providence helps those who help

themselves, and that we should look upon Providence as working in and through personality in order to bring about a better condition of affairs. So in respect to the splendid crop of last year I believe that Providence co-operated with the tillers of the soil. It is important always to know that we are on the side of Providence, and I think the excellent crop was due entirely to the co-operation of the farmers of Canada with Providence and of Providence with them.

Now, if we use the same line of argument with regard to the government of the day, we must conclude that since we met here on January 7 Providence has been good to us in preserving the government intact, and we believe Providence is going to be still better to us by co-operating with us in getting through this House a crop of legislation that will be of special benefit to the people of Canada. I believe, Sir, the fact that Providence has not annihilated it is proof that Providence is working hand in hand with the government of the day.

Miss MACPHAIL: Mr. Speaker, may I ask the hon. gentleman a question? Might it not prove that Providence is merciful?

Mr. McINTOSH: Providence is not only merciful; Providence shows mercy by the spirit of true co-operation. Consequently we have not only been able to keep together, but we have had new accessions of strength to our ranks since January 7.

An hon. MEMBER: From where?

Mr. McINTOSH: I am just coming to that. The first accession of strength to our ministerial ranks was in the return to this House of the right hon. Prime Minister, which means that the electorate of a part of Canada has made a favourable pronouncement upon the policies of this government. The name of the right hon. leader of this party brings to one's remembrance some of the eminent Liberal leaders of the past. Our first leader after confederation was the Hon. Alexander Mackenzie, and his integrity, his honour and his reputation as one of the leading statesmen of this Dominion will not soon be forgotten by the people. During his leadership he was loyally supported by the members of the party from coast to coast. His mantle fell upon the Hon. Edward Blake, and he in his intellectual attainments and statesmanlike qualities was easily superior to any of his contemporaries. His followers gave him unfaltering support. He was succeeded by Sir Wilfrid Laurier, who after winning the respect and support of his native province, impressed his personality upon the whole Dominion. He was Prime Minister for fifteen years, and during that time won the admiration of the empire. He brought to the leadership of the Liberal party and to the direction of the affairs of this nation a vision and a statesmanship that will enshrine his memory in the esteem and affection of Canadians for generations to come. After Sir Wilfrid's death the mantle of liberalism fell upon the present Prime Minister and leader of the Liberal party. I need only add, Mr. Speaker, that just as the Liberals of the past stood firmly and loyally behind the eminent leaders of the party to whom I have referred, so the Liberals of to-day are going to stand enthusiastically behind our present leader. We are going to do so because we realize that he is eminent not only as a scholar and as an author, but also as a statesman, and his sympathy for and co-operation with labour has won him the respect and support of Liberals from one end of the Dominion to the other. He has given the Liberal party the highest kind of leadership, and we are only too willing to accord him our loyal and hearty support. It seems to me that the sooner our opponents realize the intentions of the Liberal party in the House and out of it in this regard the better it will be for the public life of the Dominion.

Now, Mr. Speaker, another accession to our strength has been the return to this House of a new Minister of Railways and Canals in the person of the hon. member for Regina (Mr. Dunning). Before dealing with that point more fully I would like to refer to a statement placed on Hansard by the hon. member for North Oxford (Mr. Sutherland). It is perhaps not necessary for me to read the statement, but it was to the effect that the hon. member for Regina (Mr. Dunning) had given expression to a denial of what was given under oath in Saskatchewan during the grain investigation of 1924. There was also another point in connection with a certain political yarn which, although not true, had been repeated both inside and out of the House of Commons. In connection with the hon. member for Regina I must say that the argument of the hon. member for North Oxford was very superficial and undignified; when we are criticizing and judging public men we should be more careful. In that ar-

gument the hon. member took away from the context one or two lines or sentences, and formed judgment upon that dislocated statement. That argument is not worth anything, and consequently the foundation upon which it was based is too superficial to warrant attention. I would ask the House to remember the statement of Thomas Carlyle, when considering public men. In his Life of Burns appears this statement:

> The world often, yea too often, is unjust in its judgment of men—"It decides like a court of law, by dead statutes; and not positively but negatively, less on what is done right, than on what is or is not done wrong. Not the few inches of deflection from the mathematical orbit which are so easily measured but the ratio of these to the whole diameter constitutes the real aberration". . . .

Instead of measuring a public man by a few lines in a superficial way, the hon. member for North Oxford should take the whole statement made by the hon. member for Regina in order to arrive at a conclusion. The Minister of Railways, who now represents the constituency of Regina, is well known in Saskatchewan; he rose from a poor British immigrant to the position which he holds to-day. He was first secretary of a grain growers' local; from there he went to the vice presidency of the provincial grain growers' organization and then to the general managership of the largest grain-handling concern in the world, the Saskatchewan Co-operative Elevator system. From that position he was called to the office of treasurer of Saskatchewan, and from there to the position of premier of that province. A man who can make such progress in his own adopted province certainly has a message and an influence for Canada at large, and I believe that as the hon. member for Regina continues in his present position he will give not only direction, but support and co-operation as well, to the railway systems of the country and that support and co-operation will be reflected favourably throughout the whole country in the near future.

We have had another acquisition to the strength of this government in the person of the new Minister of Health, Minister of Labour and Minister of Soldiers' Civil Re-Establishment (Mr. Elliott). I think I am right in saying that if he continues the success already attained he will go far. The hon. member has won success in his legal profession, and also as a member of the provincial legislature; he will be a source of strength to the government of which he is now a member and will give to the departments under his control not only the best leadership but the best ideals as well.

Then we come to the Minister of Finance (Mr. Robb), who has brought down the present budget. This budget takes one back to some of the other ministers of finance of Canada. The first finance minister was Hon. A. T. Galt, who was noted for one outstanding qualification. When a new tariff was brought into existence in 1858 and 1859, before confederation, the Colonial Secretary of the day said the tariff could not be accepted. Mr. Galt said, "That is the tariff made by the legislatures of Upper and Lower Canada; that is where we stand on fiscal matters, and on questions of taxation and tariff." So Mr. Galt stood his ground, with the result that Canada won what might be termed fiscal independence, and from that day to this the Minister of Finance, in co-operation with the cabinet and those in this House supporting that cabinet, has taken the responsibility of bringing in a budget from year to year, deciding on questions of tariff and taxation.

After Hon. Mr. Galt came Hon. Mr. Tilley, and perhaps the outstanding point about Mr. Tilley was that although he supported the national policy, he considered that if it could not show a favourable balance of trade from year to year it would not be successful. We find him taking that stand continually, but although he took that stand his contention did not work out, because from 1878 to 1896, during a period of eighteen years, in only one year was there a balance of trade in favour of Canada. That was in 1880, when the favourable trade balance amounted to about $1,500,000, but in that year the national debt was increased by roughly $9,000,000.

Following Hon. Mr. Tilley came Hon. Sir George E. Foster, and he also took the stand that from year to year there should be amendments to the tariff, proving conclusively that even under the National Policy it was impossible to have what we might call an exact tariff; it had to move up or down in accordance with the conditions of business in the country. Those who stand for a high protective policy to-day should listen to the pronouncements made by Sir George Foster in 1894. He said:

> If there is to be a protective system at all, everybody knows that it must be higher in its inception than as the years gradually pass, when industries have become established and when the industrial development of the country grows apace.

Again he said:

> The time for revision has come, the time for a complete examination of the whole matter of our tariff arrangements in order that the anomalies exist-

ing might be done away with and that the tariff might be brought down to the existing circumstances and changed conditions not only in Canada but in foreign countries at the present time.

There we have two pronouncements made by Sir George Foster when Finance minister of Canada, to the effect that the one idea of the National Policy at its inception in 1878 was that when industries were being established there should be a higher tariff, and as those industries got started and gained strength, the tariff should be lowered, because they would be able to compete with other industries beyond the shores of Canada. In his last pronouncement he makes the statement that from time to time downward revisions of the tariff should take place if the industrial establishments of the country were doing what they should in solidifying their business, making themselves strong, and getting ready for national and international competition.

The next Minister of Finance was the Hon. Mr. Fielding. There is one prominent fact we have to note in connection with his administration, and that is that he introduced the British preference in the year 1897. Conservatives had been mooting that question in the eighties but they did not take any action, but when the Liberals were returned to power in 1896, they immediately took action and introduced the British preference. Today that British preference is still in existence, having been broadened out from year to year to link up the different portions of the empire.

After the Hon. Mr. Fielding, we come to the present Minister of Finance (Mr. Robb), and all we need to do in order to size up his ability as a Finance minister is to look at this year's budget. When we do that, we must come to the conclusion that we have in the Hon. Mr. Robb a man who can honourably and successfully follow the splendid Finance ministers that I have mentioned this afternoon. I am not discussing this question merely from a political standpoint. I am simply relating Mr. Robb to those who have gone before, Conservative Finance ministers and Liberal Finance ministers, because I think by doing that we put the budget discussion on a higher plane, and we give to men who have done nobly by the country in days gone by the honour that is their due.

The present budget has a few outstanding attributes. One of those outstanding attributes is that there is a surplus. This budget is a surplus or plus budget, not a deficit or minus financial statement. That is a very important thing, because if we wind up the year on the wrong side of the ledger it certainly proves that as a country and as a people we are not prospering. The surplus is $33,910,000 on government services, and there is a debt reduction of $22,353,000. Our public debt was $2,417,437,685.59 in the year 1925. In 1926 we reduced that debt by $22,000,000, and our national debt now stands at $2,395,084,685.59. The Canadian National Railways statement of earnings for the year shows $30,000,000 in excess of all operating and income charges exclusive of interest.

Another outstanding feature is that we have a favourable balance of trade. This is important because, as I showed before only once under the National Policy and Conservative administration from 1878 to 1896 was there a favourable balance of trade for the year. This year we have a favourable balance of trade amounting to $402,000,000. The total trade of Canada last year was $2,258,000,000. It is greater than the previous year by approximately $380,000,000. The total imports are greater by $130,000,000 than for the year 1924, and the total exports are greater than the preceding year by $249,000,000. Our empire trade in cattle has increased from approximately $3,000,000 in 1923 to over $11,000,000 in 1926. That is, although we have, as we heard in the House the other day some wonderful beef eaters in the city of Hamilton, we have been able to send over 100,000 cattle to the British market in the past year. There has been an increase of over 300 per cent in our empire shipment of cattle during the last four years.

Penny postage will be introduced on July 1st. That date is the sixtieth anniversary of Canadian confederation, and I think it is a favourable time to reduce the postage in this country from three to two cents. Not only did a Liberal government introduce penny postage, but cheap postage is an important factor in linking up one portion of the empire with another.

This budget also wipes out the receipt tax and reduces the sales tax in well defined directions. There have been certain reductions made in other duties, and certain drawbacks.

Perhaps one of the most important features of this budget, relatively speaking, is that since confederation we have had only eleven budgets where the national debt has been reduced. Seven of those budgets were presented by Liberal finance ministers and four by Conservative finance ministers. The debt re-

ductions have been in round numbers as follows:

Under Liberal Administration

Year	Amount of Debt Reduction
1926	$22,000,000
1925	345,000
1924	36,000,000
1907	3,250,000
1904	750,000
1903	10,000,000
1900	750,000

Now what about Conservative administrations, during the time that has elapsed since confederation?

Under Conservative Administration

Year	Amount of Debt Reduction
1871	$ 500,000
1882	1,750,000
1912	125,000
1913	25,000,000

In other words, the total reductions under Conservative administration since confederation amount to $27,000,000 as compared with a total reduction of over $73,000,000 under Liberal administration, so from the standpoint of comparison with previous budgets, this one is certainly a success.

Now looking at it from another point of view there is in this budget a real touch of nationality, and that touch of nationality is found, so far as I am concerned, in the statement of the Finance minister that the British preference in the years to come shall be applied only in cases where the goods are shipped direct to Canada, where they are carried from one portion of the empire to another without any transhipment; that is when the goods are landed at any ocean, lake or river port of Canada. That is an important thing, Mr. Speaker, for the building up of inter-imperial trade, and also for giving a chance to our Maritime ports on the east and on the west. I have here a book edited by Watson Griffin. It is an epitome of industrial Canada, and I am sure my protectionist friends will not quarrel with what I read from it. I shall quote an important line or two from an article headed "Patronize Canadian Ports." This is an important question to-day for Canada, and I believe that the feeling of hon. members, no matter on what side of the House they may sit, is that as a people we ought to face and solve this question as fairly as possible; and if there are economic grievances and other difficulties before us, let us do our best as a people to meet and solve them in the interests of a greater Dominion. This writer says:

A considerable part of the export and import business of Canada comes through United States ports in winter. This is not because Canada lacks good winter harbours of its own. It is chiefly due to the fact that the railway systems of Ontario and Quebec made connection with United States ports before the ports of the Maritime provinces were connected with central Canada by the Intercolonial railway and because old established ports with numerous steamship lines attract business for the same reasons that the well established industries of an old manufacturing country have an advantage over the young industries of a new country.

It is as desirable that Canadian business should be done through Canadian ports as that goods for Canadian consumption should be made in Canadian factories. The business that goes through Montreal and Quebec in summer should pass through St. John and Halifax in winter. The government commission which has been appointed to study the transportation question should devote special attention to this problem. Canada cannot be commercially independent so long as our business is done through United States ports.

And then the book says further:

The best way to put an end to such threats is to do all our foreign business through Canadian ports in winter as well as in summer.

Another way would be to make the Canadian preferential tariff apply only to goods imported direct through Canadian ports and ask the British government, in case of a preference being given to colonial products to make it apply only to goods shipped direct from colonial ports to Britain.

And then later on:

Owing to the fact that so much Canadian business goes through United States ports in winter the impression prevails in both the United Kingdom and the United States that Canada has no ice-free Atlantic ports.

And then it goes on to name ports of the Maritime provinces, such as Louisburg, Liverpool, Yarmouth, Halifax, St. John, and St. Andrews. I think the pronouncement in the budget on that subject is an important one.

Mr. CAHAN: Does my hon. friend approve of the statement he has just read with respect to doing business through Canadian ports?

Mr. McINTOSH: So far as it is possible, and still do justice to all other portions of Canada, we ought to send every ounce of grain we possibly can through these Maritime ports.

Another important announcement in the budget was the one with respect to the duty on automobiles. That matter had been discussed previously in this House, and when the hon. member for Macleod (Mr. Coote) moved his resolution in favour of a reduction of the duty no amendment was brought forward in opposition to it. This would lead one to believe that since parliament is supposed to be the mirror of the country, since parliament is the nation writ small, so to speak, then the government of the day certainly had the right to take the stand that it did and reduce the duty on automobiles.

Mr. STEWART (Leeds): Did the resolution carry?

Mr. McINTOSH: Yes, it was carried.

Mr. STEWART (Leeds): No, it was not.

Mr. McINTOSH: It did not come to a vote, but that was tantamount, in my way of thinking, to carrying it.

Mr. CAHAN: Oh, oh.

Mr. McINTOSH: If hon. gentlemen opposite were sincere in the stand they are now taking with reference to the duty on automobiles they would certainly have moved an amendment to the resolution. Then we would have had a vote, the resolution would have been passed, and it would have strengthened the hands of the government.

Mr. CAHAN: We did not get a chance to vote on it.

Mr. STEWART (Leeds): A resolution can be proposed without your moving an amendment or voting against it.

Mr. McINTOSH: Yes, a resolution can be proposed without moving an amendment or voting against it; but if hon. gentlemen opposite are sincere and very much in earnest in regard to a certain line of public policy we would naturally expect them to stand by that idea of public policy when a question of importance with respect to it is brought up in the House.

Mr. CAHAN: I certainly would have voted against the resolution if I had had the opportunity.

Mr. McINTOSH: All I can say to hon. gentlemen opposite is this: If that is your stand at the present time it is a pity you did not show your sincerity and earnestness when the question was being discussed.

Mr. CAHAN: Will the hon. gentleman permit me to say as a matter of privilege that I expressed myself in the strongest possible way at the time?

Mr. McINTOSH: I should like to have seen my hon. friend go one step further; I should like him to have moved an amendment to the resolution and then hon. members generally could have shown exactly where they stood.

Mr. CAHAN: If the hon. gentleman will allow me to make an explanation I will say this: I have never seen the propriety of moving an amendment to a resolution to which I am directly opposed, and which I am prepared to oppose by my vote when it comes to a vote.

Mr. STEWART (Leeds): Does the hon. gentleman know that the Minister of Finance voted against that resolution in this House?

Mr. McINTOSH: When, a year ago?

Mr. STEWART (Leeds): Yes.

Mr. McINTOSH: That is not applicable to the question at the present time because any government has to adjust itself to the conditions which arise from year to year. A government that does not do so is not truly carrying out the idea of responsible government as we should have it in Canada. I believe the government did right by cutting the duty on automobiles, and that the country from coast to coast will support it in that action. I do not think there is going to be any doubt about that at all. By taking the stand it did the government of the day is showing the people that it is absolutely responsible to the popular voice having regard to the revenue to be derived from taxation. May I be permitted at this stage to read a pronouncement made by the Prime Minister during the last election. Referring to the fiscal policy of the Liberal party he said:

4 p.m.

> In this the Liberals will hold themselves responsible, not dividing or reducing the party's responsibility on the tariff or taxation.

I believe that view will be accepted by the country. There is no doubt, in my mind, that reduction in the automobile duty will be regarded as a step in the direction of a true national policy in the interest of the country at large.

In connection with the tariff on automobiles the question of the duties of a tariff advisory board naturally arises. A lot has been said in this House during the last week or so on this question, and reference has been made to it to-day. I desire to point out that in the appointment of a tariff advisory board the government has been influenced by the ideas prevalent in other nations. There is no question of national significance in any country which has not its roots sunk deep in the annals of the past. The idea of a tariff advisory board, or a tariff board, or a tariff commission of any kind is not an innovation of the present day. We find that in 1906 Germany, in the organization of a tariff board, appointed a special committee, for a period of five years, composed of thirty-two experts representing the agricultural, the industrial, and the financial interests of the country. Not only that but the German parliament availed itself of the services of two thousand technical and trade experts in coming

to a conclusion on the tariff question, and when the investigation was completed there were about a thousand items in the tariff list instead of three or four hundred. Action along the same line was taken by the United States; and the Canadian government has followed suit in the appointment of the Tariff Advisory Board. The Tariff Advisory Board of Canada is not purely a tariff commission. It is a fact-finding board. It will investigate all the available facts, and then present those facts to the Minister for the information of the Minister of Finance who will do his best to provide a stable tariff for the country.

There are certain requirements to which the Tariff Advisory Board should pay attention. Among these I may enumerate the following: There should be precision as to schedules, classification and rates. A tariff revision in Canada should be one that will unite the east and the west and do away with sectionalism in the Dominion. There should be amplification of industry, and that is where we need expert knowledge. Some members ask: What is the use of appointing a tariff board? We cannot get this expert knowledge. I think we can say that investigation is the basis of knowledge and the basis of progress. We can investigate, systemize and present these facts; we can interpret them, and then we can apply them to the formation of a new policy. An important feature of this new Tariff Advisory Board, then, is that it will be a fact-finding board; it will get the facts and give them to the Minister of Finance and the government of the day, and in taking action on these facts we ought to be more certain of our ground and more actively identified in the work of framing a tariff that will be satisfactory to the country.

We shall have to arrive at new classifications and specialized rates because to-day industry and the processes and products of industry are very complicated in order to meet the discriminating tastes of the buying public. The investigation of customs laws and their effect upon tariff and industry is important and this fact-finding board will investigate questions of that kind. Tariff relations between Canada and foreign countries will have to be investigated because that is an important question in connection with our foreign policy. The tariff board will have to investigate preferential tariffs, commercial treaties, economic alliances and other tariff relations between Canada and countries with which we are trading. It will also have to co-operate with the Department of Agriculture, the Department of Trade and Commerce, the Department of Finance and other important departments of the crown, and through this co-operation with these departments, surely the facts of any important case can be brought to light, placed before the Minister of Finance and acted upon.

An important fact in Canadian history is that since 1878 we have had varying tariffs in this country. We have had tariff amendment after tariff amendment. We had tariff amendments in 1871, 1872, 1873; we had them in the eighties; we had them in the nineties, and this policy of "hit and miss" is not good for the country. Consequently, I believe the appointment of a Tariff Advisory Board is a step in the right direction and it is justified when one considers the innumerable tariff changes that have taken place in Canada during the last twenty-five or thirty years. When tariff changes become too numerous they upset business, demoralize trade, and consequently are not giving the industrialists and producers of the country the oportunities they should have.

Mr. CAHAN: What justification does the hon. member give for not bringing the matter of the automobile industry before the Tariff Advisory Board?

Mr. McINTOSH: I thought I had dealt with that question. I will say, just in reply to the question, that I do not think there was any doubt in the minds of any member of the ministry as to what ought to be done in connection with the tariff on automobiles. I believe the reason the question was not referred to the Tariff Advisory Board was because the consensus of opinion within the ministry was absolutely and unqualifiedly in favour of reducing the tariff instead of referring the question to a tariff board and thus wasting time and mulcting the people of the country of millions of dollars.

Sir GEORGE PERLEY: The reason it should have been referred is because the Prime Minister made a pledge that it would be, and officially confirmed that pledge in the Speech from the Throne.

Mr. McINTOSH: I did not understand that he did, but if he made a pledge he would certainly be man enough to carry it out.

Mr. CAHAN: If he could.

Mr. McINTOSH: I believe the tariff cut on automobiles had to be done at once. It should have been done a year ago. The

feeling of the ministry was that it was useless to waste another year; why not tackle the problem at once and have it settled? If this tariff cut is not fair, if it is against the true interests of the automobile industry of Canada, the facts in relation to that industry can be investigated later on and if the results are going to be as our hon. friends say, namely, the ruination of the industry, it will be possible to take action in that connection. I do not however think it will be necessary to do so.

Mr. CAHAN: Has the hon. gentleman ever learned the reasons why the Prime Minister, the Minister of Finance and their colleagues have changed their minds since last year?

Mr. McINTOSH: I would like the hon. member to inform me on that question. I am always ready to learn.

Mr. CAHAN: I do not know. I have been waiting to find out some reason why they have changed their minds. I am asking if my hon. friend knows.

Mr. McINTOSH: It is not very important in any case. The important thing is that the tariff is cut and the people are going to reap the benefit. I believe the Tariff Advisory Board will be an important department. I do not say it is going to be the saviour commercially of the people of this country, but I believe it is worth while experimenting with it. The success of the tariff board will to a large extent depend upon the way in which its members will carry out their duties. If they go at their work with a will, investigate in a national way every question that comes before them and do their best by the industry and the people of this country, they will do a great deal of good and will justify the establishment of the board from year to year.

I have in my hand an article which I am not going to read, but which I would like to place on Hansard. It is from the pen of Mr. Alexander Smith, Barrister at Law, Ottawa. This opinion is taken from a publication entitled "A period of New Beginnings for Liberalism." It was written in 1921 and the statements which follow are important because they are in line with the pronouncements of the present government and because they contain facts which are important to the customs tariff and other methods of public taxation. The article is in accordance with the appointment of a tariff board and in line with any government taking action toward the adoption of new methods of meeting public questions and meeting them successfully.

Mr. ARMSTRONG (Lambton): Does the hon. gentleman understand that the article is prepared by a man who was the chief organizer of the Liberal party for many years?

Mr. McINTOSH: I understand that fully. I was looking at the question from the standpoint not of any particular organization but of the product the man brought out. I was looking upon it from the standpoint not of what party he belonged to or of what he had done for any party, but of a pronouncement of a citizen of Canada. The article is as follows:

> As far as possible taxation should be direct and unconcealed so that each taxpayer may know what he is doing and may be able, by his style and scale of living to dictate the measure and ratio of his taxation:
>
> The customs tariff, the largest source of revenue, should, before being submitted to the judgment of parliament, be immediately and searchingly revised line by line, word by word, and rate by rate by fair and open-minded men (not by a partisan minister and officials coached by special cliques and interests) with a full and clear understanding of all essential facts pertaining to each industry, so that in the framing of the new rates the interests of the revenue should be paramount, and that incidentally all round justice be rendered, in a spirit of compromise, which is the true basis of wise legislation where there are conflicting interests.
>
> Immediate efforts should be made to reconcile any divergent views of the east and the west, and thereby improve the path to united national effort.
>
> The day is gone when any sect, clique, interest, class or body of men, east or west, can be permitted to impose their uncompromising will on the rest of the people.
>
> In the framing of measures for securing revenue special attention should be given to the wealth created for individuals by the involuntary co-operative methods of communities, and not by the efforts of the individuals themselves.

The Ottawa Citizen makes the following comment on this opinion:

> The publication of this pamphlet and the discussions which took place generally on the matter of a tariff board have helped the government to gauge public opinion and appoint a board such as anticipated.

In conclusion I would like to deal with the question of the British preferential tariff. The British preferential tariff was introduced in 1897; in 1898 it was increased from ⅛ to 25 per cent and in 1900 it was increased to 33⅓ per cent. That tariff to-day is wrapped up with the fiscal policy of Canada, the motherland and other parts of the empire. The Liberal party of the day in making a move in the direction of a preferential tariff took an important step forward in the history of Canada or the British Empire. Not only did it link up Canada more successfully with the United Kingdom and other portions of the empire, but it developed in this

country a greater power not only in productivity but in introducing a competition that benefited the people of Canada by millions of dollars, made us a great exporting nation, and gave us a new viewpoint in the way of trade between ourselves, other portions of the empire and foreign countries.

I said before that the Conservative party had mooted the question time and again but that they did not take action upon it. The Liberal party took action and I believe this preferential tariff which has been a great means of regulating prices in this country, has helped to place Canada since 1913 in the position of making the greatest gain of any country in the world in the way of trade. This success has been based upon three factors: first, the continuance of the British preference; secondly, the fact that the Conservative government after the war did not dare to raise the tariff; and, in the third place, the fact that the Liberal administration since 1921 has been moving in the direction of a fair tariff for all Canada. These are the three factors which have contributed to the upbuilding of our foreign trade and the development of our industry, and to reinforce this argument I should like to place on Hansard the following series of figures. The first table, taken from the trade returns, shows the imports from and exports to Great Britain, including the period since the adoption of the British preference:

Great Britain

Year	Imports	Exports
1868..	$ 37,617,325	$ 17,905,808
1878..	37,252,769	45,917,693
1883..	51,679,762	47,011,180
1896..	32,824,505	66,689,253
1911..	109,934,753	136,962,971
1922..	117,135,343	300,363,193
1925..	151,083,946	397,168,048

It will be noted that the imports in 1868 and 1878 are almost the same there being a decrease for the latter year approximating half a million dollars. Exports show an increase of $28,000,000 odd.

The following table shows the percentages of increase or decrease in imports and exports from 1878 to 1925:

Imports

1878-1883 show increase approximately 46 per cent.
1883-1896 show decrease approximately 36 per cent.
1878-1896 show decrease approximately 10 per cent in 18 years.
1896-1911 show increase 240 per cent.
1922-1925 (3 years) show increase 33 per cent.

Exports

1878-1883 show increase 46 per cent.
1896-1911 show increase approximately 100 per cent.
1922-1925 show increase 33⅓ per cent.

[Mr. McIntosh.]

The following table shows the total imports and exports, all countries, for different fiscal years between 1878 and 1926:

All Countries

Year	Exports	Exports
1878..	$ 90,395,851	$ 79,154,678
1896..	105,361,161	116,314,543
1911..	452,724,603	290,000,210
1922..	747,804,332	753,927,009
1925..	796,932,537	1,081,361,643
1926..	927,000,000	1,330,000,000
	Approximate increase 17 per cent	Approximate increase 23 per cent

All Countries—Canadian Manufactured Goods

Exports

	1922	1925
Iron and its products, all countries..	$28,312,272	$57,405,940
Iron and its products, to United States..	4,693,020	5,063,148
Iron and its products, to United Kingdom..	4,758,888	6,689,169
Included in item of iron and its products to all countries are vehicles, such as automobiles, railway cars, bicycles and parts, tractors, etc..	12,113,847	31,401,839
Agricultural implements, mowers, binders reapers, hay rakes, cream separators, cultivators, harrows, drills, ploughs, threshing machines..	5,345,308	11,342,712
Textiles and textile products such as cottons, woollens, linens, hemp, etc., gloves hats, caps, mitts, binder twine, underwear, clothing, etc..	4,585,987	9,711,720
Literature—books etc..	622,501	1,030,930
Leather..	406,585	682,714
Rubber and its products..	4,061,809	11,358,456
Hardware and cutlery.. ..	1,253,124	2,150,475
Machinery excepting agricultural (Calculating machines, lawn mowers, typewriting, washing machines)..	2,581,018	5,043,581
Stoves of all kinds..	62,108	128,775
All other iron and steel products..	516,649	1,104,277
Aluminum and its products..	1,571,913	5,910,547
Brass and its products.. ..	355,784	907,149
Copper..	6,329,105	12,722,677
Lead..	1,718,967	10,368,130
Electrical apparatus..	435,321	1,585,511
Total fertilizers..	2,213,351	4,196,201
Musical instruments..	354,339	687,936
Binder twine..	431,128	1,562,942
Pneumatic tires..	2,721,819	6,183,492
Inner tubes..	.....	1,012,130
Imports		
Fertilizers..	1,881,805	2,387,970
Rubber and its products.. ..	3,325,006	3,248,042
Raw rubber..	18,952,465	34,386,858
Pneumatic tires, tire casings..	940,267	550,146
Inner tubes..	114,846	64,670

I am placing these figures on Hansard to prove that Canada, far from being commer-

cially decadent, is developing more and more into a great exporting nation, and that under the benign influence of the preferential tariff and the wise policy of the Liberal government she will attain to still greater proportions commercially as the years go on.

Before I conclude I feel it my duty to discuss for a moment the vital question of Canadian unity, and in this connection I want to offer this opinion to the House and to the country, that there should be neither east nor west in Canada. I am reminded of a story once told by Abraham Lincoln. He said that he had heard of a certain bridge committee having been appointed to construct a bridge across a deep, wide and dangerous river. Contractors and architects were heard before the committee and after a certain number of meetings of the committee one member named Brown expressed the opinion that they had not made very much progress. He suggested that a certain friend of his, one Jones, be consulted, for Jones, he said, could build a bridge over any river. Jones was called upon and asked whether he could build the bridge across this particular river, and he replied with assurance that if necessary he could not only build the bridge in question but could also build one from there to the infernal regions. Upon his withdrawal from the meeting, Brown, on being interrogated by one of the members of the committee, expressed the view that if Jones said he could build a bridge to the infernal regions he could no doubt carry out the undertaking, but he, Brown, was doubtful about the abutment on the infernal side. Abraham Lincoln, applying the story to the subject he was discussing, said that he had been in touch with public men from all parts of the country and had tried to get their views upon the great question of securing the union of the northern and southern wings of American democracy. He said he was of the opinion that it could be done, but he was rather doubtful about the abutment on the southern side. It seems to me, Mr. Speaker, that is pretty much the way it is in Canada. The people of the east feel that unity is quite feasible but for the difficulty of the abutment on the western side. Similarly the people of the west are doubtful about the abutment in the east. Now we must get together and devise some means of bridging east and west, and before this can be done we must banish all sectionalism. Only in this way can we build up a great and united Dominion.

Perhaps I might venture to put in the form of a parable the position in which any government of the country would find itself under conditions such as prevail at present. Suppose any hon. member in this House had sold all his earthly possessions and had committed the gold he got in return to the care of some man, who, having it upon his person, was given the task of crossing the Niagara gorge on a tight-wire. While that man was balancing himself on the wire would we proceed to badger him, to rock the wire and advise him to bow a little to the east this time, then a little to the west, next a little to the north, and then a little to the south, to stand up straight, to go a little slower or a little faster? I do not think so. We would do our best to encourage him until he had reached the other side in safety. That, Mr. Speaker, is somewhat like our position politically to-day. We have got practically to bridge a political gorge, we have to do that wisely and well, and I believe we shall do so if we remember the substance of the words of Sir Wilfrid Laurier when standing by the bier of Sir John A. Macdonald, the greatest father of confederation:

> Let not our grief be anxious grief. Let us rather give to confederation, the instrument which Macdonald brought into existence, our love, our admiration and our solid support. If we do that Canada shall and will live forever.

I believe, Mr. Speaker, that if we can unite in such a way as to do our best for the national welfare we will bridge the gorge between the east and the west, and by doing that we will ensure a still greater future for this Dominion, we will make it a still more splendid part of the British crown, and in the words of Sir Wilfrid Laurier, we can rest assured that Canada shall and will live forever.

Mr. J. L. STANSELL (Norfolk-Elgin): Mr. Speaker, the opening part of the speech of the hon. member who has just taken his seat (Mr. McIntosh) reminds me of the practice of promoters of certain wildcat companies in seeking to use the name of an eminently respectable man as an honorary director so that his reputation may inspire confidence in the public to buy the worthless stock placed on the market by those wily gentlemen. The desperate effort of the hon. member to couple the name of Providence with the acts of this government, however much it might, under certain circumstances, increase the use of would not tend to increase the reverence in which that name is held.

While I cannot congratulate the Minister of Finance upon all the provisions of his budget, I can offer him my sincere congratulations on the practical and brief form of its presentation. I go further, Mr. Speaker, I would welcome

a change in the rules of this House to limit the speeches of private members to thirty minutes except by unanimous consent. The result would be beneficial in every way, it would expedite the sessional work, and would increase the respect in which this House is held by our people from the Atlantic to the Pacific, and last, but not least, such a rule would be of distinct benefit to the member himself whenever he had occasion to state his views. If the ideas contained in most of our speeches were compressed into thirty or forty minutes instead of being stretched out over two or more hours—

An hon. MEMBER: Sometimes five hours.

Mr. STANSELL: —those speeches would not so much remind us of the proverbial needle in a haystack.

Before touching on the budget proper, Sir, I desire to review briefly the general situation in this House. I do not propose to enumerate the platform pledges of the government and its supporters when the last parliament was dissolved; they are common knowledge. We were told that problems which pressed for solution could only be dealt with by a government commanding a strong majority in the House. We all know after the new parliament was convened why changes were made in the Speech from the Throne. We may take it for granted that the results of the election were a distinct disappointment to the Prime Minister, who selected his own time for appealing to the country, and who named the issues which made the election necessary. He himself was defeated as were most of his ministers. With the calling of the members together to decide which party should be given the responsibility of government, I have no fault whatever to find, but I do criticize the methods adopted to secure that deciding vote. We well know that in the speech which was put into the mouth of His Excellency the Governor General certain issues were included that were not before the country in October, but it was believed that they might be acceptable to certain groups in this House, and they were incorporated in the hope that a sufficient number of votes would be secured to enable the defeated party to carry on. Even that was not considered sufficient to ensure support; we were told by the Minister of Customs and Excise (Mr. Boivin) that voting for the Address itself would not be construed by the government as a vote of confidence! Under those conditions a small majority was secured by the government which now occupies the treasury benches.

It is possible to make water run up hill only in limited quantities, and by paying the price.

I submit to you, Sir, that under the conditions which prevailed when we were called together early in January there was only one precedent that this House should have established—that the group having the largest number of members should be given an opportunity to form a government. I know it was frequently stated by members and supporters of the present government that there was no way of harmonizing the views of the Conservative party with those entertained by other parties in the House. Well, the only proof was to make the effort. I assert without hesitation that, regardless of party considerations, when there are a number of groups in the House, the only sound and logical course to pursue is to give to the largest group the first opportunity to form a government. Then if that largest group in the Speech from the Throne enunciated a policy that failed to secure the approval of a sufficient number of hon. members, the second largest group should be given an opportunity to see what they could do, and in case of their failure we might appeal to the country again. But in giving the second largest group control we are attempting to make water run up hill, and for this unnatural action we must pay the price.

A part of the price in this instance will be the practical annihilation of the Progressive or Independent party. Like myself, Mr. Speaker, you were here during the sessions of the last parliament; we well know how often and how ably members of the Independent group to my left contributed to the work of the House and frequently offered constructive criticism. But let me point out to you, Sir, that during this session the proverbial oyster is a shrieking siren as compared to the silence in that corner of the House. The charge has frequently been made in the past that the Independent or Progressive party are nothing more than camouflaged Liberals. I was never inclined to adopt that view, but rather gave them some credit for being an independent party. From one end of Canada to the other to-day, however, you would have difficulty in making people believe that that is not so, and that is a part of the price the Progressive party will pay for the mistake made early in January. But, Sir, what concerns me most is the price the people of Canada must pay for the lack of business administration, the disturbance of industry and the general uncertainty prevailing at present, which will continue to obtain while this government, with its present policy, retains power.

It is impossible to speak in this budget debate without referring to protection. I am always interested in the arguments adduced

on both sides of the House, and it is sometimes wondered why this argument never ends, and why someone does not establish which side is right. I think the reason is self-evident. When a man, for various reasons, has grown up imbued with free trade or protective ideas, he approaches all arguments of this kind looking only for proof in support of his own belief, and for that reason we are never enabled to come to a sound conclusion. I think, however, that we can well afford to look at a few essential facts which do not admit of argument. Let me say at the outset that I believe protection is the settled policy of Canada, and in spite of arguments made in this House, in spite of the personal beliefs of other hon. members, I believe Canada will continue to maintain protection as a settled policy. The time has arrived when it is vitally necessary to announce that policy to the world in general, in order that everyone may know what is our policy. We have only to look at some of the highly protected countries to realize that in those countries there is very little unemployment, wages are comparatively high and goods are cheap. We have only to consider our nearest neighbour for proof of those statements, and when we accept those essential facts we must surely realize the futility of advocating free trade for a country such as Canada. As proof of that we have, I submit, the determined requests and repeated arguments on the part of those who profess to believe in free trade for a lowering of our tariff barriers, in order to permit cheap goods produced under high wage conditions to enter from the United States. That shows, I submit, how foolish is the argument that protection increases prices. I admit that that is so under certain circumstances, but it is not always the case. Those countries which have consistently pursued a policy of protection find themselves to-day almost without exception with very little unemployment, with a satisfactory scale of wages and the ability to produce cheap goods in large quantities. So much is that the case with our neighbour to the south that we look upon her with jealous eyes, and some of us advocate a reduction of duties in order that we may purchase these cheap goods, produced in a highly protected country.

Having declared that protection is the settled policy of Canada, or that such should be the case, our main concern must be to see that, so far as it is humanly possible, it is equally and fairly distributed. This has not always been the case in the past, but let me say that the policy of the Conservative party, as I conceive it, is not one applying to individuals or separate interests but one which considers rather the protection of Canada as a whole, and we should approach discussion of this subject in that spirit only.

Why should we have a protective policy at all? Let me remind hon. members of this well known fact, that there are certain expenses incidental to all methods and forms of government. We pay certain municipal taxes, school taxes, direct or indirect provincial taxes, as well as federal taxes. These comprise our contribution to the expense of government, to the overhead necessary to run the business of this Dominion. The man who comes to Canada and invests his capital in Canadian enterprise or industry, whether in a farm, a factory or a mine, assumes his share of that overhead and pays without complaint his share of the expenses of the country. In return for that payment he receives, or should receive, the privilege of supplying goods to the home market. The producer of similar goods in any other country who gains possession of our market pays nothing in taxation and does not carry one ounce of the load of taxation; that market to him is a free gift. I say without hesitation that the average protection Canada should have, the very least under which she can exist, is a protection sufficiently high in favour of the home worker and producer to enable him to carry that burden. Then and then only, is he placed on a parity with his competitor from outside.

It has been calculated that the total amount of our overhead, including all forms of government, is about 17 per cent of our production, and therefore the least possible protection Canada should have must average about 17 per cent. As a matter of fact we do not have more than that at present. When we consider the question in this light we realize that all through the past years Conservative and Liberal governments, no matter what their policies or professions were, when faced with the responsibilities of office have kept the measure of protection at about that level. That explains why the Laurier-Fielding government, which was largely elected on a policy of free trade, not only kept the average at that level, but in certain particulars raised it, so in the general result the average during that period was fully as high as, if not higher than under the Macdonald tariff.

I venture to assert that if the Progressive party or my friends from Saskatchewan who profess to believe in the merits of free trade were suddenly faced with the responsibility of government, knowing all the facts of the case they would not have the courage to re-

duce the tariff very much below its present level. As I said before, there may be certain cases where the tariff is a little too high, but there are many other cases, and these apply particularly to farm products, where the level is too low. I believe that a measure of protection should be extended fairly to every industry and every class of production in this Dominion. Until we realize and announce to ourselves—it may be necessary for some of us first to convert ourselves—that protection is necessary, and until we announce to the world that protection fairly distributed is the settled policy of this country, Canada will never enjoy the prosperity and progress to which she is entitled.

I know that very frequently we are met with the argument, in support of reductions in taxation, that we must have trade, that we cannot sell unless we buy. I want to ask my friends from the west this: Is not trade between Saskatchewan and Ontario or between Manitoba and Quebec just as valuable to the provinces concerned as trade between those western provinces and any states in the American union? And is not this inter-provincial trade of infinitely greater benefit to Canada as a whole? These are questions that I think should be considered; these are facts that I think cannot be disputed. If Canada is made prosperous by a protective policy such as that, if we announce to the world once for all that Canada is a protective country and will look after the interests of the men and women whom we hope to attract to our shores, if we assure those who have capital to invest that they will be fairly treated and their interests safeguarded if they invest in this country, our problem of immigration will be largely solved. We can spend millions trying to induce people to come to this country, but so long as we have a government that from the ambush of cabinet secrecy snipes here and there at the various industries of this country, and with none knowing where the blow will next fall, there will always be an element of uncertainty and distrust which will drive Canadians to seek employment elsewhere and be disastrous to us in our national progress. If this prosperity and progress comes to Canada as a result of a protective policy, let me say to my friends from the west who have not the same faith in the protective policy that some of us have, they can rest assured that a certain measure of that prosperity will accrue to them. They have since coming to this House, particularly the members from Saskatchewan, shown that they do not lack in aggressiveness, and that quality I am sure will enable them to get their share of the

prosperity that will come to Canada by the adoption of a sound fiscal policy.

This budget has been proclaimed by some sections of the press as a "poor man's budget." It has been said that it is a popular budget. Of course it is a popular budget; it was intended to be. A government that had to attain power by methods such as were resorted to by this government, and knowing the danger in which they stand from hour to hour, realizing the necessity, perhaps I should say the advisability, of an early election, has skilfully prepared this budget with the idea of securing votes and popular support in the country. This explains why many provisions of this budget which were strongly opposed and voted against by members on the other side of the House, including cabinet ministers, last year and in previous years are now being strongly supported by them. The hope is that this budget will be so popular that in the event of the necessity for an election, it will enable them to get back on the treasury benches once more.

Now what are the provisions that make this budget popular? Reduction of taxation is always popular. The methods pursued by this government remind me of those followed by a municipal council, which in a desperate effort to make itself popular will strike a lower tax rate than it should in the hope that prosperity may come in some degree next year and thus prevent an unfavourable showing. There is just one sound reason, Mr. Speaker, for a reduction in taxation, and that is a corresponding reduction in expenditure.

One thing that is designed to make this budget popular and a poor man's budget is the reduction in the income tax, but I would point out that there are a lot of poor men who did not have to pay any income tax, and whom this reduction will not affect. There will be the feeling in the back of their heads that the necessary taxation to make up for this reduction will have to be provided by someone somewhere, and if the man who is wealthy enough to pay income tax is to have his load lightened, somebody somewhere must make up the deficit.

We have been told that this budget is popular because the receipt tax has been abolished. I wonder who put that receipt tax on. This government itself is responsible for that annoying tax, and surely credit is not to be given them now because they are taking away an injustice that they themselves put upon the Canadian people.

We are also to have a reduction in postage. The Post Office Department is one government department that is shown to be in a fairly healthy condition. But the postage is one

form of taxation that people were not complaining loudly about. I wonder who is going to profit by this reduction in postage. Is it the poor man who writes a couple of letters a week, or is it the wealthy man or the business man who buys his postage by the hundreds or by the thousands of dollars? If this reduction is for the benefit of the wealthy, and it certainly is, someone somewhere must make up the deficit. Would it not have been wiser to have kept the postage, which people were not complaining about, as it was, and then use any surplus that might have accumulated to extend rural mail delivery to the outlying sections where farmers are denied that privilege to-day? There is nothing that does more to make life pleasant on the farm in isolated surroundings than the boon of rural mail delivery which enables the farmer to have his daily paper delivered at his door to keep himself and his family informed in regard to all the great questions of the day. Many parts of Canada are still suffering from lack of this convenience.

Mr. YOUNG (Saskatoon): Is the hon. member opposed to the reduction of postage?

Mr. STANSELL: I was stating my views very plainly. I know there are a few members in that corner of the House who are anxious to make records for themselves as champion questioners, but I do not see why I should assist them in that respect. I said that the reduction in postage was of the greatest benefit to the wealthy man and wealthy corporation, and was not of such great advantage to the poor man. I stand by that statement. I said that if the postage had been left as it was any surplus that accumulated might well have been used to extend rural mail delivery to the outlying sections which have not this privilege to-day, and any excess might be used to lower taxation in other directions.

These are some of the features that are supposed to make this a popular budget and "a poor man's budget". But as I have pointed out in not one instance can it be shown that it is favourable or beneficial to the poor man. On the other hand there are some distinct failures in the budget. For years past, as I stated in my introductory remarks, the farmers have suffered under a disability, and this applies particularly to the dairy and fruit farmers as I have them in my constituency; they have suffered from a lack of adequate protection. They have not had the measure of protection afforded them that has been accorded to other industries. Since the present government came into power it has taken away the greater part of the protection that these farmers enjoyed, particularly by the negotiations of certain treaties. The results are already manifest, and will become more serious as the months go by. Supporters of the government argue that dairy products, eggs, fruit, vegetables, and so on are admitted to Canada when we do not have a surplus of these commodities ourselves, but that is not the real difficulty encountered. The difficulty consists in this: Because of an earlier season our farmer competitors on the other side of the line are enabled to take the cream of our market. That is they get the benefit of high prices, while the Canadian producer of fruits, vegetables, eggs, and dairy products, and so on, receives the low prices which rule when the market has been demoralized by the importation of products raised where earlier seasons prevail. How can you expect the farmers to be contented under such conditions? How can you expect men to invest money in farms in Ontario or elsewhere in Canada? They know that the government that taxes them for the privilege they enjoy is going to admit products of the kind referred to from another country exported by competitors who pay no taxes to this country and are free, or comparatively free, from payment of duty. That competition is unfair and unjust and should not be allowed to continue. But instead of providing a remedy the present government has actually made the situation worse.

Let me also say that if the government had been anxious to reduce annoying taxes they might very well have turned their attention to the tax now in force on notes and cheques. The tax on notes particularly is an unjust form of taxation. There are many farmers throughout the length and breadth of this country, many of them in the province of Ontario, who find it necessary to get assistance from the banks because they have insufficient capital. So far as my observation goes this assistance has been extended fairly freely and at a fair rate or at least not an excessive rate, of interest. But when a farmer thus situated, or for that matter a business man, secures an advance from the bank for a short time, he must plaster the note with stamps, and if he follows business methods and pays by cheque, the cheque also must be similarly plastered to the extent of two cents for every $50. This is an annoying and exasperating form of taxation in the case of men of small means who are obliged to conduct their business on borrowed capital. If the government were anxious to bring down a "poor man's budget" that is one matter to which they would have devoted their attention.

5 p.m.

Another serious criticism I have to make of the budget is this: Canada is possessed of wonderful natural resources, sufficient, if they were properly developed and manufactured and the products sold in a finished form, to go a long way towards reducing the national debt if not actually wiping it out. Nothing whatever is done to carry out a policy of that kind, in fact the opposite course is pursued. Encouragement is given to the export of our raw material, and supporters of the government then claim credit for the extent of that exportation, consisting as it does largely of raw materials that should be manufactured and sold in a finished form in Canada.

Now I come to the reduction of the duty on automobiles. We are all familiar with what the government has done; we are all familiar with certain incidents that have happened in recent weeks. Surely the first thing that should have been considered was whether we as Canadians desired to have an automobile industry in this country. The hon. gentleman who has just taken his seat referred to what he though was a desirable form of protection; that protection, he considered, should be high in the case of a new industry, and be gradually lessened as that industry established itself. Let me remind the hon. gentleman that the automobile industry is one of the newest industries we have. Such being the case why should it be singled out for persecution when other industries that have enjoyed the same measure of protection for years have not been touched? I notice the Minister of Finance was careful to see that nothing was done to injure the milling industry in the budget. The Minister of Justice, too, was careful to see that boots and shoes were not touched, although that industry enjoys an equally high protective tariff. Furthermore, one of the prospective ministers has been careful to see, or at least someone took the necessary steps in his behalf, that nothing was done to prejudice the furniture industry. And only the other night the hon. member for Sherbrooke (Mr. Howard), who criticized the protection formerly enjoyed by automobiles, said the tariff was all right as far as the industries in his own town were concerned. The industries I have enumerated have been left alone, but one of our newest industries has been singled out for persecution, if not annihilation, without being granted a hearing in its own behalf. Are we as a Canadian people to return to the dark ages when things of this sort could be done, when an individual, a city or an industry could be condemned and sentenced, without any opportunity to make a defence? Now, it seems, we have a Tariff Advisory Board. The creation of this board is one of the few promises fulfilled by the government during the last four or five years out of the number which it made. That board has been in existence for some time, but it has not been given anything to do. Why was not the case of the automobile industry referred to this board for investigation, instead of bringing down suddenly a reduction of duty in the budget? Why did the government not make use of the machinery which it had created itself?

The question is whether we want an automobile industry in Canada or not. Will any hon. gentleman admit that we cannot have such an industry in view of the wealth of our natural resources, many of which could be utilized in connection with this industry, and the extent and population of this country? There can be only one answer to that question. Having admitted that we should produce automobiles for our own people, is it not reasonable that we should grant protection to the men engaged in that industry and the money invested in it? After all, what is it the Canadian buyer really wants? Is it a reduction of duty or the opportunity of being able to purchase the articles which he needs at a reasonable price? Surely if we can produce automobiles in Canada at a reasonable price there is no justification for a reduction of duty. These are questions that should have been duly weighed and considered. The manufacturers of automobiles have been deprived of the opportunity of presenting their case. Personally I am not concerned with the question of whether the protection is thirty-five, forty-five or fifty per cent. I am willing to afford the manufacturer of any legitimate industry in this country a protection sufficient to ensure him the Canadian market provided that in return he does not charge the people of Canada an unfair price on the goods which he produces.

Someone on the other side of the House will immediately say: That cannot be done. A short time ago we were told that this government in the exercise of its power could go out upon the high seas and control international shipping rates. A government able to undertake a task such as that should surely be able to control the price of an automobile in this country. I have reason to believe that if the automobile manufacturers had been approached in a reasonable spirit, if they had been given the Canadian market for a standard make of car, they

would have been willing in return to reduce the price substantially this year and to follow that up by further reductions. The real essence and need of protection is that we protect the home market. All we want in return is a fair price and it can be given in some other manner than that adopted by the government of the day. If we are going to build automobiles, let us build them in Canada. We may not be able to build them as cheaply as they can be built in other countries; but let us build them as cheaply as we can and build them in our own country. The same thing applies to any other legitimate industry which is or could be established in Canada.

We have a Tariff Advisory Board. I am reminded that a short time ago a deputation came to Ottawa protesting against a reduction in the duties on automobiles without having the question referred to the board. I listened carefully to the presentation of their statements; I observed the able manner in which they presented their case to the cabinet, and I heard an eloquent speaker on behalf of the veterans, many of whom were employed in that industry, say to the Prime Minister: "Mr. Prime Minister, when you were in Oshawa shortly before the election I, as a supporter, was invited to your platform. I heard you say that no act of yours would be injurious to any industry in Oshawa; I heard you say that before any reduction in duties would be made there would be a reference to the new tariff board that would be created, the fullest right would be given to them to present their case and a decision would be made on the merits of the case. All I am asking to-day, Mr. Prime Minister, is not that you restore the duties to their former level but that you refer this question to the board that you have appointed; in other words, that you keep the promise you made to the electors of Oshawa before the election." Was that not a reasonable request? It was presented in a most fair and gentlemanly manner.

Has public life in this country reached such a level that a deputation of 3,000 people must come here to ask the Prime Minister of the Dominion of Canada to keep a promise that he made a few days before the election? Yesterday we had a debate on the merits of which I do not intend to touch in any way; but it was a simple request on the part of a citizen of Canada, who claimed that he had suffered an injustice, to present his case to the House. A point of order was raised by the Prime Minister and an attempt was made to prevent that petition from being received. Have things come to such a pass that a citizen of this free country, complaining of an injustice done him by one of the officers of this House is not to be allowed to present his case? The only defence, or substance of a defence, was summed up by the hon. member for West Middlesex (Mr. Elliott) who said in effect that this petition should be rejected because the government before they received it had decided that they did not intend to grant it. Those were not the words but that was the effect of his explanation.

If there is anything that we should cherish in our parliamentary institutions, it is the pledges and promises that we as public men make when we appeal to our electors for support. Time after time during the past four or five years have mushroom promises been made to be almost immediately and callously broken. So we have the spectacle of almost daily occurrences such as I have cited and the government, guilty of this, appealing to the House and the country for continued support on a policy of expediency instead of on a sound, business policy in the best interests of this Dominion.

We have the admission of the government when the duties were reduced on automobiles, that this was done in response to sentiment. We have the further admission to-day from the Minister of Finance (Mr. Robb) that that sentiment was supported by newspaper clippings that he had before him on his desk. This fully substantiates—I do not need to look for anything further—the charge I have made that this is a government of expediency, determined to cling to office by any method at its disposal instead of on sound, business principles. When the automobile deputation were told that sentiment was of no value; that the only requisite was argument and solid facts a principle was laid down, but when the government wants to take action, sentiment or newspaper clippings or prospective votes, or anything in the world will suffice. What this country needs most of all is change of government and an announcement to the world that we intend to think and act as Canadians; that we intend to safeguard and protect our citizens and our industries; in a word, a true National Policy. This and this only will restore confidence and hasten national progress and prosperity in Canada.

Mr. WILFRID GIROUARD (Drummond-Arthabaska) (Translation): Mr. Speaker, the hon. member for Norfolk-Elgin (Mr. Stansell), and previous to him, a number of members of the opposition spoke of the in-

terest and friendship they have for the farming class. It is always somewhat shocking to hear them express feelings which are grossly in contradiction with the deeds and the past policy of their party. In order to judge of their lack of sincerity we have but to verify the attitude taken by the Conservative party, between 1911 and 1921, towards the farming class of this country. What benefits did the farmers derive during the ten years of their administration? You are aware, Sir, that the paramount question at the general election in 1911, was the reciprocity treaty that Sir Wilfrid Laurier had succeeded in concluding with the United States, and for which the farming class had been clamouring for years. This treaty so highly advantageous to the farming community was rejected. However the Conservatives will not readily forget that the crisis they went through was principally due to the fact that the American market was closed to them. As early as 1912, the farmers bitterly clamoured for new markets for their products. We are aware that the Conservative government of that date did nothing to help them, not only did they do nothing, but they attempted to cripple the development of the dairy industry, by allowing margarine to be imported. I must say, Sir, that the farmers of my riding are very thankful to the King government for having prohibited the imports of this product. A further instance, which establishes well the lack of sincerity of the members of the opposition, is the following: At the time the King government cut down the duty on farming implements; when they wished to help the farmers so as to allow them to purchase at lower prices the articles of first necessity of which they were in need to work their farms, we witnessed the opposition having recourse to every possible means in order to prevent the farming class from benefiting by legislation which was all in its favour, and even more, we saw the hon. leader of the opposition state in this House that should he be returned to power, he would re-establish the high protective tariff. That is, the Conservative party, through the mouthpiece of its leader, undertook to abolish the advantages and favours which the King government was granting to the farming class.

Another very important feature for the farmers, the importance of which the Conservative government of the day did not understand or did not care to understand, was the necessity for the farming class to get new markets, in order to sell its products at profitable prices. The King government immediately dealt with this necessity endeavouring especially to revive the prosperity which the farmers enjoyed previous to the Tory government of 1911. Moreover, Sir, we have as an instance of the government's desire to help the farming class, we have as an instance, I say, the last treaty they have just concluded. I mean the West Indies treaty which the King government presents to the farming class with the firm belief that this treaty will benefit them, because it guarantees to the farming class an almost absolute monopoly on the products of the farm, such as butter, cheese, potatoes and other products. Behold then, Sir, these same gentlemen who, when they were in power, could have done something to help the farming class, yet they stirred not, and they come, to-day, in this House, shamming a friendship and an interest which their deeds belie.

The budget speech, Sir, was, especially this year, anxiously awaited. There is no question, I think, which interests so much the public as the discussion of the various measures which appear in the budget. We have the satisfaction and joy to note, in reading this speech, that our financial situation has considerably improved. There is one thing which nobody can deny and which I may be allowed to emphasize: it is that the budget speech has had on the Canadian people a great and beneficial effect which has in some way brought sunshine and hope where hon. members of the opposition would, perhaps, like to see but despondency and misery. This budget is a proof that our country, after struggling courageously, has finally emerged from the difficult situation caused by the economic disturbance brought on by the Tories from 1911 to 1921.

From the outset of the Liberal administration, we were made aware of what would be the policy followed. In order to better appreciate the various measures announced in the budget speech, it is well to glance rapidly over the past, for it is necessary that the people of this country should everlastingly remember what was the financial and economic conditions existing when the King administration came into power in 1921.

The Conservatives contend that our debt is enormous. They never miss an occasion of proclaiming that the taxes are heavy; but why, Sir, do they not also proclaim that they are responsible for such a state, and that if we have taxes, these have become necessary because of their administration. Do they expect to make us forget that they needed but ten years to increase our debt to more than two billion dollars. I think that, if the opposition wished to be sincere, they would admit that when they assumed power in 1911,

the country was prosperous and when they retired, we were on the verge of ruin. It seems to me that this has some weight. However this is not all. After being returned to power, the Conservatives began to spend, without the slightest thought of economy, and one fact shows us clearly in what manner we were governed. During the fifteen years of the Liberal rule, under Laurier, the government had only increased our debt by about $40,000,000. The Conservatives possessing, no doubt, a great aptitude for lavishly spending money, increased, in the first three years of their administration, this debt by more than $80,000,000, and I want you, Sir, to note that this was but an inkling of what was threatening the country. A crisis, often referred to in this House, succeeded to happy days. This was so evident that the government of the day, at the outset of the session of 1914, put the following words in the mouth of His Excellency, the Governor General, in the Speech from the Throne: "that business is at a standstill owing to a financial crisis." The Conservatives acknowledging, at the time they were in power, that business was at a standstill, we can easily conceive in what difficult situation the country found itself at that time, we can without fear of being in error, state that bad times were coming. In the midst of this, war broke out.

It was, Sir, as you know a period of extravagant expenditure. We then were ruled by a government that seemed to have lost its head, an administration that seemed to do its utmost to bring ruin upon us. The ratepayers of this country had hoped at least, that once the war over, this orgy would cease. But nothing of the sort happened. The debt unceasingly increased, and the people, who in 1917 were unable to give free vent to their opinions took their revenge in 1921.

The King government assumed power, becoming heir to a much involved estate. In 1911, the country's debt amounted to about $335,000,000. Under the Tory regime it had increased two billion dollars. What the people expected from the King government, in 1921, was the balancing of our finances, and this we have succeeded in doing to-day. The budget speech clearly shows that we have at last emerged from the difficult situation created by the Tory government. And, by the way, I wish to draw your attention to the fact that, if there is one thing which should command our sympathy, it is the anxious desire shown by our ministers to realize, for the people of this country, the hopes which they put in them. This trust was well placed. Thanks to a strict economy, foresight and a business knowledge which had been found wanting during ten years, thanks also to the honest desire to give to all citizens legislation which suited them best, Canada has risen from its ruins and our administrators, after having met the heavy obligations which were an aftermath of the war, after having provided for the other needs of Canada, present, to-day, to the people of this country a budget which shows a substantial decrease in the public debt and a cutting down in the taxes, relieves the ratepayer and tends to increase among all the hope and confidence which a few years of Liberal rule have imparted. That hope, Sir, each year since 1921, the ratepayer feels, is growing in him. No doubt everybody understood that under these circumstances, the task was a difficult one for the government, and everyone equally saw, each year, that there was an improvement. The ratepayer understood that it was easier to demolish than to rebuild, that it was impossible for the King government, in so short a time, to rebuild and restore what the Conservatives had taken ten years to destroy; yet, our leaders immediately tackled the task, with the result that after but a few years, the government had succeeded beyond the hopes of our people: they had realized the dream which all cherished, that is of at last seeing the balance of our finances re-established.

Most of the hon. members who have spoken on the budget have discussed at length the duty on automobiles. I have no intention to broach that subject, however, I shall remind them that the budget also discloses a great number of measures which are equally beneficial to the public. Why do hon. members of the opposition oppose the budget? The member for Norfolk-Elgin (Mr. Stansell), a few moments ago, admitted that it was a popular budget; yet we shall see that he will be one of the first to vote against it. They, who are responsible for our financial difficulties, should be the first to applaud at the relief it brings to the ratepayers of this country.

I intend, Sir, to enumerate a few only of the measures which have been disclosed by the budget speech. First, we note a decrease of $25,000,000 in the taxes, and at the same time the public debt is reduced by $22,353,000. What a difference, Sir, there is with that of the Tory administration! To cut down the taxes, decrease the public debt and obtain at the same time a substantial increase in our revenues, that seems to me what may be called good financing, a thing, perhaps, that

the hon. members of the opposition cannot grasp. The sales tax, which weighs so heavily on the mass has disappeared on a great number of articles, and this added to other exemptions, and abolishment in connection with the sales tax of previous years, will be very beneficial to the consumers. Then we note in the budget, the disappearance of the receipt tax and the return to the penny postage rate. I think, Sir, that the mails are an easy way of communicating with one another and that service should be given at the lowest possible rate in order that it may be at the disposal of everybody even of the poorest person. These two latter measures meet with the approval of the whole country and I think that the Minister of Finance had a happy thought in introducing them. I have been in a position to satisfy myself as regards the unanimous endorsation of these proposals by the electors in the riding that I have the honour to represent, when these reductions took place following the budget speech. The cutting down of the income tax was an agreeable surprise, inasmuch as the reductions were substantial, therefore this measure is certainly a welcome one.

One may judge of its far-reaching effects from the following facts: Married people having no dependents enjoy an exemption to the extent of $3,000; the exemption per child remains at $500. Those who, under the old act, paid $20 and $40 of income tax, will have no payments to make now. Those who previously paid $60, $80 and even $100, will now pay according to the new proposed rates but $10, $20 or $30. We can readily understand that the reduction proposed is substantial and to the benefit of the tax payer. The hon. Minister of Finance (Mr. Robb) deserves our congratulations for the shrewdness shown in negotiating our loans in order to meet our war debts which matured during the last fiscal year. To meet these obligations, the government paid out of its revenues a sum of $19,347,833, thus reducing our consolidated debt and saving to the country a sum of $819,058, on the yearly interest.

The budget speech gives us an excellent idea of the enormous expansion of our trade. We recall that in 1921, the balance of trade was against us. Our imports overlapped our exports by an amount of $29,730,763. At that time our dollar had depreciated by almost 15 per cent. To-day everything has changed: our dollar is at a premium on the American exchange and the balance of trade is in our favour.

For the fiscal year ending March 31, 1923, our exports overlapped our imports by an amount of $142,716,593; in 1924, by $165,396,430; in 1925, by $284,429,106, and for the twelve months ending March 31, 1926, they overlapped to the extent of $402,000,000. We are therefore justified, Sir, in saying that the years of stringency have passed and that the country is entering upon an era of prosperity such as we have not seen for a long time past.

Before closing these few remarks, I think it is wise on our part to inquire as to the course followed by the King government with regard to our foreign affairs. I state, without hesitation, that our interests were first considered. For instance, at the time of the Anglo-Turk entanglement, the Tory party, true to its principles, was ready to throw us into a new conflict, while the King government took up a truly Canadian attitude. As early as 1921, the King ministry put into practice an entirely Canadian policy, strongly opposed to the evil influences of imperialism, equally opposed to all foreign policy that clashed with the true Canadian interests. An essentially Canadian policy, it seems to me, cannot but receive the support of all those who truly love their country, and I feel convinced that the present administration will adhere to those sane principles

Mr. A. D. CHAPLIN (Kent, Ont.): Mr. Speaker, this is the first opportunity I have had to address the House, and as a new member I hope my fellow-members will bear with me, for I will be as brief as possible. After listening to a great number of speeches I feel like the Minister of Railways (Mr. Dunning) when he said, "Let them take a dose of their own medicine," the only difference between us being that I do not care if the remark is taken ironically or otherwise.

So far in this debate, Sir, I have failed to hear one supporter of the government give the real reason for the tariff being taken out of the hands of the tariff board which was appointed days before the budget was brought down. The Minister of Finance gave as his reason a pronounced sentiment among the people of Canada that the auto manufacturers have too much protection. This puts me in mind of a certain burglary. Those involved were trying to hide their tracks by making it appear that it was an outside job, but it was found that the night watchman was the go-between and that it was really an inside job. Now, Sir, the night watchman in this job is the black knight from Saskatchewan and his crew. I have reason to believe that the Progressives were not so drastic in their demands, but the westerners from that province came to headquarters and said: "There is the dotted line—sign!" And this is the result. The only

other member who gave a reason was from British Columbia, who said the reduction was made for political exigencies, which is a rather broad reason. To me it sounds like a very weak political excuse.

While addressing the biggest deputation of working men that ever came to Ottawa, the Prime Minister said that numbers did not count with him, only argument. I think he told the truth. If there had been one hundred thousand men in that throng his answer under the circumstances would have been the same, as his mind had already been made up for him by his few supporters from the west. When the Prime Minister was appealing for votes in the last election he stated from practically every platform that if elected he would take the tariff out of politics by appointing a tariff board. This was confirmed in the Speech from the Throne. Days after the appointment of this board the budget was brought down, which takes the tariff out of the hands of his own tariff board. Then he tells the deputation that parliament rules! If parliament passes this budget it will in effect tell the Prime Minister that he cannot live up to his pre-election promises. This is a clear intimation that the Prime Minister does not possess the confidence of his own government, and that if he had kept true to his pledges he would not be in office to-day.

But the Prime Minister is not the only member of the cabinet who has offended in this regard. The Minister of Railways the other day had to admit that he had said something in the West Middlesex election that was not so. Then the Minister of "Self" Defence from Pictou, or where he jumped to, also tried to make the House believe that 350,000 bushels of wheat had gone over the Canadian National Railways to the port of Halifax, knowing all the time it was not so. Now, these triplets of truth are very economical with the truth, and if they made such statements in any private business they would not last long.

Coming to the reduction in the automobile tariff, I notice by the new Ford price list—and I use this as an example because it is the car that has been most spoken of in this debate—that the price of the cheapest car has been reduced $15. I have heard a great deal from the government side of the House about the poor man on the street, and how the tariff kept him from buying a car. However, if he could not afford to buy at $410, and is now thinking of buying at $395, my advice to him would be to leave it alone as he is practically in the same position still. If this government had been sincere in its desire to help this poor man there was a way open to do so. They could have removed the luxury tax, which would have made a greater reduction in the price of the car than the decrease in the tariff duty. If a car is a necessity, there is all the more reason why the luxury tax should come off and the tariff duty be left alone to protect that poor man in his job.

Let me direct the attention of the House to the effect which this new tariff has upon the manufacturer engaged in the making of auto bodies. The makers of auto parts in Canada have never taken advantage of the full tariff. Most of them have contracted to deliver goods to the Canadian auto maker at a price of at least 5 per cent under the tariff. The tariff on auto bodies has been reduced from 35 to 20 per cent. This compels the body maker to work upon a basis of 15 per cent, taking into consideration the 5 per cent he surrenders through his contract. Then the clause in the new tariff which gives to the automobile manufacturer a drawback of 25 per cent, provided that 50 per cent of the total cost is of Canadian manufacture, reduces the working basis of the body maker another 5 per cent, leaving him a tariff of only 10 per cent. And that is not all. The body maker is compelled to import certain expensive parts from the United States under the new tariff, the duty on these parts running as high as 35 per cent. The amount of duty they pay on the imported parts is responsible for a still further reduction and probably in some cases entirely wipes out the 10 per cent which was left, which means that the body makers have no protection at all.

Now if it is true, as the government contend, that they have thoroughly investigated this automobile tariff from all angles, then they have knowingly and deliberately put these automobile part factories out of business. If they did not get this information before hand, it is all the more reason why they should have referred the whole matter of the automobile tariff to their new tariff board. I believe that after the business has been disorganized it will eventually be forced into the hands of the board for expert investigation. I feel certain, therefore, that the government would save themselves a lot of trouble and the country a great deal of turmoil by placing this tariff problem before the tariff board who were appointed for the express purpose of dealing with questions of this nature.

The hon. member for Brandon (Mr. Forke) said the other day that the automobile industry would not be hurt any more than some of the farmers out west had been hurt by hail. Admitting that they had lost every-

thing, you see by deduction that the automobile companies cannot suffer to any greater extent than being put out of business. Is not that a fine spirit! And this member is the supposed missing link of unity between east and west. I have heard the hon. member for Marquette (Mr. Mullins) describe the western wheat grower as "the sowless, cowless, chickenless farmer." I am going to add another word of description to these soil robbers—I would call them the soulless, sowless, cowless, chickenless farmers.

Apart from the tragic reduction in automobiles and parts the budget amounts to very little. The reductions made are mostly removals of taxes which were imposed by this government. The government's method of giving relief to the country in this respect reminds me of the story of a man who threw a boy into the river and after jumping ir and saving him coolly demanded a medal for life-saving. The income tax in regard to dividends from stocks and interest bonds will certainly tend to discourage capital from being invested in Canada. But the people of Canada will be delighted to hear of the reduction of one of the ingredients of the insidious cocktail, angostura bitters. Now I am going to show how inconsistent the ministers are and how they blow hot and cold in the same breath. The Minister of Railways while discussing the diversion of grain to American ports instead of to Halifax and St. John said that it was a very delicate thing to discuss this question inasmuch as there had been a royal commission appointed to look into the matter. I think his point was well taken. Now, Sir, when the same argument in regard to the tariff board is brought forward by members of this House, the Minister of Railways has nothing to say and is willing to swallow his own contention and to vote against his own convictions.

Speaking of the tariff board, I believe that the Prime Minister promised to appoint a lady to act on that body. The only member of the board with whom I am acquainted is the Right Hon. George P. Graham, and I am certain he has all the qualifications entitling him to wear male attire, and do not think that either of the other two gentlemen would look well with a permanent wave and a short skirt. I would call the attention of the hon. member for Southeast Grey (Miss Macphail) to the Prime Minister's promise to the gentler sex, a promise which he has failed to fulfil.

I notice that the budget has little to say about agriculture. This is a most important subject and I want to speak for a few minutes on the sugar beet situation in Kent county.

I am surprised and I regret exceedingly that this government has attacked the sugar beet industry in Canada three times in as many years, thus vitally affecting western Ontario and particularly the county of Kent which I have the honour to represent. In 1922 the government put an excise duty of forty-nine cents per 100 pounds on beet sugar. This tax would be equivalent to a tax of ten cents a bushel on Canadian wheat. The opposition showed that this was a ridiculous tax, and it was reduced to twenty-four or twenty-five cents, and before its effects became felt, the Minister of Finance, Mr. Fielding, was prevailed upon to wipe it out altogether. Then in 1923, apparently still believing that a tax should be placed against the Canadian beet sugar industry, he came at them in another way by reducing the duty on raw sugar coming into Canada, which meant to the sugar beet growers a reduction of fifty cents per ton on their beet crop, or about $150,000. Let me tell this House something about the size of the beet growing industry and what it means to the farmers of this country. A few years ago, before this government tinkered with the tariff, we had under cultivation 40,000 acres from which the farmers received the sum of $4,000,000, and in the production of sugar from these beets another $2,000,000 was expended in labour, making a total of $6,000,000 distributed to farmers and workmen in Kent county. Since the alterations in the tariff, we find that last year this acreage was reduced to 30,000 acres and I am in a position to know that since last year's crop was by no means a profitable one, the acreage this year will be further reduced to about 20,000 acres, which proves my contention. The farmers of my district are being rapidly squeezed out of a branch of agriculture which at one time was profitable. And as if this were not enough discouragement to the farmer who, in spite of all these setbacks, still wishes to remain in the beet business, we now find this House asked to ratify a treaty with the West Indies which will, to adopt a favourite phrase of the Minister of the Interior (Mr. Stewart, Edmonton) prove the death knell of the sugar beet industry through the concessions given to the raw sugar industry. It seems to me that the farmers of this country are being discriminated against. They are being compelled to enter into an unfair competition with the cheapest kind of labour in the world. The West Indian labourer buys one pair of overalls perhaps once in three years, and this constitutes all of his clothes outside of a rope thrown over his shoulders to keep them up, and the optimistic ones do not even wear the

rope. This is the class of labour our farmers are being compelled to compete with while we are living beside a nation that has the highest standard of living in the world. We are obliged to conform somewhat to that standard, but if our country is allowed to be flooded with the products of cheap foreign labour, then our standard of living will suffer and there will be only one result. Our people will go to a country where their standard of living is protected.

I am reminded of a statement made by the Minister of Agriculture (Mr. Motherwell) the other day, to the effect that a man on a farm is a greater asset to the country than the factory worker, because the farmer is producing new money. But apparently the Minister of Finance regards the West India farmer as a greater asset to Canada than our own Canadian farmer. This same Finance Minister in discussing the Australian treaty said that if there was anything in the treaty affecting any of his constituents he would not vote for it. So, under the circumstances, it is quite apparent to me that there are no sugar beets grown in his constituency. The Finance Minister in supporting this treaty has stressed the fact that the sugar companies are exporting great quantities of sugar and I would like to ask the Finance Minister to explain just how exports are affected by the duty on raw sugar.

In conclusion I wish once more to impress upon the Minister of Finance the great injustice which is being done the sugar beet producers as a result of the actions of this government. The minister holds to the opinion that sugar made from beets is a small industry compared to the making of sugar by other processes, but he has failed to grasp the possibility of making all our sugar from sugar beets. We read in the press and we hear from every platform, Conservative and Liberal, about our wonderful resources in raw materials and how they should be manufactured into the finished article in our own country, and in connection with the beet growing industry we have the greatest opportunity to put that principle into actual operation. I have shown you that the sugar beet industry is on the decline; thousands of farmers in western Ontario have discontinued this crop, which means a great loss to the country, and this loss is not entirely covered by the lack of production to the country and the actual loss of revenue to the farmer. Anyone acquainted with sugar beet raising knows that special implements are required in their cultivation, implements that cannot be used in connection with any other crop. It is quite within the mark to estimate that every farmer engaged in growing sugar beets is called on to invest probably $400 or $500 in special machinery, and when he is compelled to cease growing beets this machinery represents a total loss. Farmers at present are not making money out of beet raising; thousands have already ceased production and to my mind the West Indies treaty is all that is necessary to enable this government to finish the work of destruction.

Mr. Speaker, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

At six o'clock the House adjourned, without question being put, pursuant to rule.

END OF VOLUME III.